



# **EMFULENI LOCAL MUNICIPALITY ANNUAL REPORT**

July 2006 – June 2007

**BRAND PROMISE**  
**“YOU BELONG WE CARE”**

## **SUBMISSION OF THE FOREWORD BY MUNICIPAL MANAGER TO HONOURABLE EXECUTIVE MAYOR: CLLR D R TSOTETSI**

The MFMA requires that every Municipality and its entities prepare an annual report in line with Chapter 12 of MFMA. It is my duty, and honour to submit the 2006/2007 Annual Report of Emfuleni Local Municipality.

The purpose of this report is to;

- i. Provide record of activities of the Emfuleni Local Municipality during the 2006/2007 Financial Year
- ii. To provide report on performance as reflected in SDBIP's against the Budget allocation for the year 2006/2007.
- iii. To promote accountability to the Emfuleni community for the decisions made in 2006/2007.

The report includes the Audited Financial Statements as presented by the MFMA. The Auditor-General Audit report in terms of section 126(3) of MFMA. It is important to epitomize that this is the first time in the recent history of Emfuleni that the current year Audit was received within the prescribed legal period.

**DR M M BAKANE-TUOANE**  
**MUNICIPAL MANAGER**

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# CHAPTER 1

## INTRODUCTION

### AND

## OVERVIEW

## **1.1 MAYOR'S FOREWORD**

**TO BE INSERTED**

## **1.2 OVERVIEW OF THE MUNICIPALITY**

This chapter aims to briefly describe the environment within which the Emfuleni Local Municipality exists. It reveals the current realities of both internal and external facts such as local economic development, service delivery, financial issues, institutional issues, demographic figures, spatial development, environmental issues, information technology, Sports and Recreation, Arts and Culture, libraries, social development, public safety and all issues pertaining to municipal services towards the community.

### **1.2.1 MAYORAL COMMITTEE**

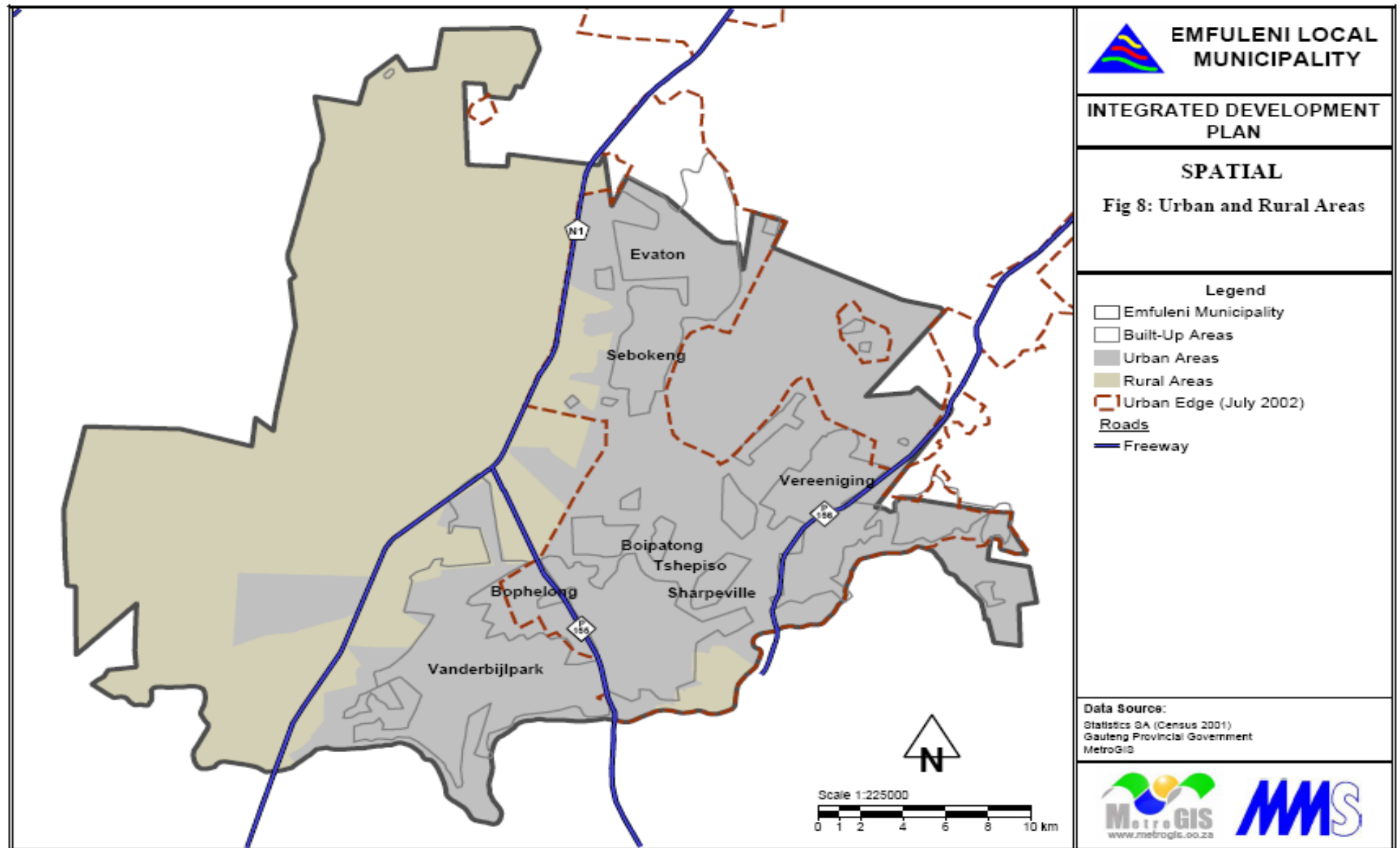
To execute the mandate, Emfuleni Local Municipality is politically led by the Executive Mayor, Cllr. D R Tsotetsi. She is assisted by the Speaker, Cllr. N G Hlongwane as head of the Council. The Chief Whip of the ANC Political Party is Cllr. M T Kunene. They are all assisted by the following Members of the Mayoral Committee in their different Portfolios:

<b><u>Name</u></b>	<b><u>Portfolio (Member of Mayoral Committee (MMC))</u></b>
Cllr. T S Moepadira	Sports, Arts and Culture
Cllr. T J S Thabane	Water, Electricity and Sanitation / Infrastructure
Cllr. F N Vundisa	Health and Social Welfare
Cllr. M R Letsoenyo	Safety and Security
Cllr. M P Muir	Development Planning and Local Economic Development
Cllr. D Malisa	Administration, Corporate Service, Human Resources, Information Technology and Legal
Cllr. S V Khumalo	Housing
Cllr. M T Ronyuza	Public Transport, Roads and Works
Cllr. N R Thulo	Waste Management and Cemeteries
Cllr. K J M Ranake	Finance

### **1.2.2 LOCALITY AND DESCRIPTION OF EMFULENI MUNICIPAL AREA**

The Emfuleni Local Municipality is one of three Local Municipalities comprising the Sedibeng District Municipality. It is the Western-most Local Municipality of the District, which covers the entire southern area of the Gauteng province extending along a 120 kilometres axis from east to west. The municipality is strategically located with access to a well-maintained road network – N1 national route linking Johannesburg and Bloemfontein which traverses Emfuleni. The municipality has two main town centres, which are Vereeniging and Vanderbijlpark.

The area also comprises a number of large residential areas, all of which require considerable investment in infrastructure and environment upgrading. The municipality is rich in history as it encapsulates the Anglo Boer War, heritage assets such as the Sharpeville monument and the liberation struggle epitomized by the signing of the Constitution in 1996 in Sharpeville. The following is a locality map of the municipal Area:



### 1.2.3 **DEMOGRAPHIC PROFILE**

#### 1.2.3.1 **Population Size**

The current population of Emfuleni Local Municipality is estimated at 688 844 (DBSA, 2005), an increase of 30 423 since Census 2001 and constitutes a 4.6% growth rate. The current estimated population for the Sedibeng District Area is 833 772. This comprises 187 040 households (excluding collective living quarters) according to the Census 2001.

#### 1.2.3.2 **Population Distribution**

Emfuleni is a largely urbanised municipality, with high population concentrations and density compared to other municipalities making up the District. In fact, the municipality houses around 82% of the population in Sedibeng district.

#### 1.2.3.3 **Population Composition**

The racial composition of Emfuleni population is indicated in the table below and geographically most of the African population is concentrated in areas such as Sebokeng, Evaton, Sharpeville, Boipatong and Bophelong. This illustrates the entrenched racial divisions within the municipality. These tend also to reflect the socio-economic geography of the municipality and the pattern of access to services.

#### **Demographic Composition** (Source: Census 2001)

	<b>AFRICAN</b>	<b>COLOURED</b>	<b>INDIAN/ASIAN</b>	<b>WHITE</b>	<b>TOTAL</b>
<b>MALE</b>	271 011	3 416	3 010	45 254	322 691
<b>FEMALE</b>	282 296	3 595	2 881	46 959	335 731
<b>TOTAL</b>	<b>553 307</b>	<b>7 011</b>	<b>5 891</b>	<b>92 213</b>	<b>658 422</b>

The table below depicts the population projections from 2001 - 2005 for Emfuleni Local Municipality. The projections were based on a 4.6% growth rate from 2001 – 2005 (DBSA, 2005).



### Population Growth

(Source: Urban-Eco calculations based on 1996 and 2001 Stats SA data, 2006)

Area	Population			Growth Rate
	1996	2001	2006	
Emfuleni Local Municipality	596 846	658 398	726 298	2.0%

Emfuleni Local Municipality contributes 82% towards the total population of Sedibeng District Municipality which stands at 885 182 in 2006. This means population within the district is mainly concentrated in Emfuleni.

### Migration and Population Flows

Population migration for Emfuleni between 2001 and 2004 is estimated at 49 928, a migration rate of 7.6% (DBSA, 2005).

Below are migration statistics (in and out) for Emfuleni between 2001 and 2004.

Main Area	Inflow	outflow
Boipatong		-4 885
Bophelong	16 962	
Evaton	13 975	
Sebokeng	13 570	
Sharpeville		-3 208
Tshepiso	9 987	
Vanderbijlpark		-2 390
Vereeniging	6 097	
<b>TOTAL</b>	<b>60 632</b>	<b>-10 704</b>

The high growth rate indicates that Emfuleni has a history of high migration. This high migration rate could be ascribed to the new housing developments attracting new residents.

### Age distribution

Some interesting characteristics of the population are important to note for their implications for development in the municipality:

- 35% of the population is below the age of 34 – this youthful population will make different demands on the municipality than an older, mature population, for example, on education, sport and recreation, libraries and other community facilities. The numbers of youth appear to be declining over time, possibly indicating a declining birth rate in the population.
- The highest population in any cohort is in the 15 – 34 age cohorts, followed closely by the 35 – 64 cohorts. These categories alone comprise 21.79% of the male population and 20, 29% female population. This population category represents young work-seekers and those who are establishing family units. They are also a grouping very vulnerable to HIV infection. Their demands will be felt on housing, sport and recreation facilities, job creation and health facilities.
- The largest percentage of the population falls within the economically active cohorts. **Given the slow economic growth** and lack of jobs, this population group will continue to be pushed towards poverty, exacerbating the financial crisis the municipality finds itself in through an inability to afford services.

#### **1.2.3.4      Unemployment Rate & Number of Poor Households**

The unemployment rate for Emfuleni is higher than that of all municipalities in Gauteng, as well as the Northern Free State (Stats SA 2003a). The national figure for the year 2001 was estimated at 41.5% for 2001 (BER 2001). The rate determined for Emfuleni from the 1999 survey data was 51.3% and 54.1% from the 2003 survey data. However, according to Global Insight overall employment (both informal and formal) for Sedibeng grew over the 7-year period with slightly more than 2% per year (refer to Global Insight, 2004)

The next table shows the poverty gap calculated for the total population of Emfuleni. The number of households below their respective poverty lines is estimated at 100,414 for the year 2003. That is 51.6 per cent of all the households in Emfuleni. The combined monthly shortfall of income (poverty gap) of these households amounts to R80.23 million per month (R962.77 million per year). The average shortfall per poor household in Emfuleni amounts to R799 per month (R9, 588 per year). For the entire Sedibeng district, the distribution of household income for 1996 and for 2000 was virtually the same (Global Insight, 2004).

**Table: Poverty gap analysis of poor households in Emfuleni (2003)**

Number of poor households	100,414
Monthly poverty gap amount of poor households	R 80.23 million
Yearly poverty gap amount of poor households	R 962.77 million
Average poverty gap per household per month	R 799
Average poverty gap per household per year	R 9,588

Source: Slabbert 2003.

This aspect of analysis reflects on the municipality's activities and how they impact in particular on communities that the municipality serves. As such this analysis will focus on service delivery, financial viability and institutional issues.

#### Unemployment and poverty

Unemployment and poverty is on the rise despite the economic growth that is experienced and unemployment and poverty is further exacerbated by the high in-migration of unemployed people into Emfuleni. The youth of Emfuleni is in particular the hardest hit in terms of unemployment, despite the skills and qualifications that exist.

#### HIV and AIDS

The effect of HIV and AIDS must also be taken into consideration in as far as the supply of labour or EAP is concerned because the decline in the working age cohort (people between the ages 15 to 64) as a percentage of the total population could be the result of the impact of Aids on the population. Further studies of the impact of HIV and AIDS on the population growth and economic development will need to be done.

**Table: High HIV and Aids Scenario**

<b>High HIV/Aids</b>							
<b>Local Emfuleni</b>	<b>Main</b>	<b>2001</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	Boipatong	16,865	11,738	10,858	10,044	9,291	8,595
	Bophelong	37,775	55,504	59,667	64,142	68,953	74,124
	Evaton	143,153	155,260	157,025	158,810	160,616	162,442
	Sebokeng	222,073	228,838	229,071	229,304	229,538	229,772
	Sharpeville	41,020	35,502	34,313	33,164	32,054	30,981
	Tshepiso	22,953	48,211	55,684	64,315	74,284	85,798
	Vanderbijlpark	80,266	73,565	71,926	70,323	68,756	67,224
	Vereeniging	73,328	77,908	78,468	79,032	79,600	80,172
<b>Emfuleni Total</b>		<b>658,533</b>	<b>692,512</b>	<b>696.053</b>	<b>699,612</b>	<b>703,189</b>	<b>706,784</b>

## **1.2.4 SERVICE DELIVERY**

### **1.2.4.1 Water and Sanitation**

75 873 Households (40%) in ELM have water supply within their yards. 7% Of the population are relying on community taps that are  $\pm$  200m away from their buildings. There is a margin of people who are still relying on spring, dams/pool/stagnant water, river/stream and water vendor.

84% Of the households in ELM are connected to sewage. Only 1.5% households are using septic tanks, meanwhile 9% households are using pit latrine toilets without ventilation.

#### **Free Basic Water and Sanitation**

Emfuleni Local Municipality provides 6kl free basic water to all residents in the area of supply. The challenge remains with accounting for this free basic 6kl basic water provision in previously disadvantaged areas because of non-metering and the flat tariff. Previously disadvantage areas include Sebokeng, Evaton, Sharpeville, Boipatong, and Bophelong. However it excludes Sebokeng Zone 10 where water meters have been installed to about 2400 houses and billing is in process. This situation has led to the tariff review so as to ensure proper provision of free basic services. However, this situation is mitigated by the non-payment for service in these areas, which in reality ensures that these residents receive in actual fact more than 6kl of free basic water.

The bucket system in ELM was eradicated three years back, only less than ten houses in Evaton are still using buckets and Council is not collecting or rendering the service.

### **1.2.4.2 Electricity**

Electricity is widely used within the municipality with 81% of the total population using it. 13% Of the population are using paraffin for one reason or the other; meanwhile 2% are using coal.

#### **Free Basic Electricity**

A Free Basic Electricity (FBE) Funding Agreement has been entered into between the ELM and Eskom. The new agreement starting from the year reported on will be renewed after three years. Basically all registered indigents, whether they are connected to the Eskom or Municipal network are eligible to receive 50kWh free electricity per month. The verification process which were completed in August 2006 revealed that only 11 000 are eligible to receive free basic electricity out of approximately 36 000 registered indigents.

In May 2006 ELM has adopted the new policy on indigent household consumers. In August 2006 the Municipality embarked on the re-registration of the indigents. The registration process was completed end of August 2006 and approximately 35 000 application were received. The application forms must be captured into the system verified and thereafter will be published for comments. Eskom will only receive the list of the indigents in the area after the alluded process is finalized. It need to be mentioned that Eskom will also take some time to capture the list in their system, as the data from ELM is not aligned to the Eskom system.

#### **1.2.4.3      Waste Management**

Waste management is categorized in the following key functions, household, illegal dumps, business and industrial refuse collection, mini dump transfer facilities and township and CBD cleansing and landfill sites operations and management.

Residential waste is collected once a week in the following areas: Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong, Tshepiso, Vanderbijlpark and Vereeniging, (a total of 154,330 households) being serviced on a sustainable basis. The increased figure in sustainable household collection now also includes Evaton West and Bophelong Focus and the Mantevrede Agricultural holdings. Business waste is collected on a daily basis in mainly the Vanderbijlpark and Vereeniging areas, (a total of 1,453 stands) the total serviced stands & households is 134 483. Street sweeping services are also being done in mainly the CBD areas of Vereeniging and Vanderbijlpark (and outer business centers), Sebokeng taxi rank and all main roads.

In terms of bulk service delivery and final disposal of waste at landfill sites, Council operates 4 mini dump/transfer stations in the Vereeniging area and operates Waldrift and Palm Springs landfill sites.

Council only provides for a general waste collection service that includes general household waste, removal of indiscriminate or illegal dumps (public space) in all of the regions and mass removal of garden refuse and builders rubble on a pre paid payment system.

#### **1.2.4.4      Roads and Stormwater**

The following inventory of services needs to be maintained by this Department:

- Tar Roads	1 351 km
- Gravel Roads	1 031 km
- Road Marking	144 041 m <sup>2</sup>
- Traffic Signs	13 275
- Stormwater Pipes	462 km
- Open Channels	194 km

- Catch Pits

11 155

The replacement value for the 1 351km tarred roads is R1 742.00 million.

The tar road network is deteriorating at an alarming rate due to a lack of preventative and maintenance funds especially via the provision of an annual Reseal and Rehabilitation Program.

#### **1.2.4.5 Parks and Cemeteries**

Since the Services provider had taken over the management of cemeteries, 6 years back, there was no approved budget for the cemeteries. The little equipment what was used for the cemeteries on that point was transferred to the Parks Department. All the lawn mowers were old therefore it was written off and never been replaced. The cemeteries function was transferred to solid waste, still with no resources.

##### Maintenance condition of non-active cemeteries (closed)

**Boipatong Cemetery** - Maintenance is done once per annum.

**Sharpeville - Vuka Cemetery** - Maintenance is done once per annum year

**Vereeniging Cemetery (next to Vaal Show grounds)** - Maintenance is done once per annum

**Evaton Cemetery** – the cemetery is now closed and maintenance is done once per annum.

	<b>Remain Ha</b>	<b>Nett/ grave</b>	<b>m<sup>2</sup> Gross grave</b>	<b>m<sup>2</sup> Estimate remain no. of graves</b>	<b>Estimate remain no. of years</b>
JACOBSKOP 1&2	2.0	5.0	12.0	3, 560	>0.6
SHARPEVILLE	1.0	5.0	7.9	1, 780	0.3
VANDERBIJLPARK	1.0	8.0	7 120	7 120	1.0
EVATON	closed	closed	closed	closed	closed
NANESCOL	6.0	8.0	11.0	5 910	>5

It is the responsibility of Emfuleni Local Municipality to maintain these cemeteries. Emfuleni Local Municipality maintained these cemeteries. Grass has been cut thoroughly from April to July 2006.

### Conditions of cemeteries

In Jacoboskop cemetery there are 2 hectares left, which will have 3, 560 graves. The average number of burials is currently 403 per month. The numbers of burials have increased due to the closure of Evaton cemetery in November 2005. All burials from Evaton and Sebokeng are directed to Jacoboskop cemetery.

Vanderbijlpark cemetery has 1 hectares left, and therefore 7 120 graves can be accommodated in future. There are 79 burials per month in this cemetery. Two portions which are underdeveloped have twelve hectares which leaves 6 months of burials in these portions. The council has different burial tariffs at these different cemeteries.

The following cemeteries have been fenced through MIG funding:

Evaton Cemetery (completed in July 2006)

Vuka Cemetery - Sharpeville (completed in September 2006)

Pelindaba - Sharpeville (completed in September 2006)

### **1.2.4.6      Housing**

#### **1.2.4.6.1      Number of Formal and Informal Houses**

##### Formal

Sharpeville	6 531
Bophelong	12 823
Boipatong	2 012
Sebokeng	35 829
Evaton	26 764
Evaton Small Farms	10 613
Boitumelo	3 645
Zone 24	481
Kanana	1 250
Polokong	2 021
Eatonside	1 750

##### Informal Settlement

Sharpeville	1 298
Bophelong	591
Boipatong	601
Sebokeng Zone 7	230
Zone 17	155
Quaggasstroom & Boiketling	2 000
New Village	569
Cape Gate (Tsepiso)	384
Chris Hani	591
Ironside Industrial	457
Polomiet (Tsepiso)	324



Ironside	1 100
Evaton West	13 309
Evaton North	2 451
Lake Side proper	1 500
Lake Side Ext 4	380
Vanderbijlpark	13 629
Vereeniging	10 890
<b>TOTAL</b>	<b>146 978</b>

Sonderwater	1 216
Tsepisong Taxi Rank (Tsepiso)	675
Winnies Park	217
Vaaloewer	50
Barage	50
<b>TOTAL</b>	<b>9 408</b>

Emfuleni Local Municipality has 81% formal dwelling types while 16% are informal settlements. At least 1% is considered to be traditional houses.

Housing is a National function currently run with the Gauteng Province as per Constitution. The Sedibeng District and Local Municipalities are the implementing agencies and responsible for the management of rental and hostel units.

### Hostels

Upgrading of Sebokeng, Khayelitsha, Boipatong and Sharpeville hostels were approved by the Council. There are challenges that are hindering the progress of these projects. Amongst others these challenges includes structures, electricity and other related issues.

Emfuleni Local Municipality has five areas that have hostels, which are under the direct and indirect management of the Municipality. These are as follows:

- Sebokeng Hostel
- Boipatong Hostel
- Sharpeville Hostel
- Khayelisha Hostel
- Kwa Masiza Hostel

### Rental Stock / Houses

The rental stock (houses and flats) is in the process of being transferred in the former “own affairs” areas. The Gauteng Department of Housing has appointed service providers pertaining to the transfers.

The following rental housing projects are the subject of transfer:

Leeuhof	(253 units)
Sonhof Flats	(78 units)
Low Cost Housing in Vanderbijlpark	(152 units)
Housing Units: Rust-ter-Vaal	(25 units)

A study by Matthew Nell and Associates (2002), revealed that the ELM owns 718 units of housing stock for rental housing stock (five buildings with 497 units) and welfare (three buildings with 221 units). The operating costs for the service are estimated at R3,4m per annum whereas the income is estimated at R1,9m per annum, resulting in a deficit of R1,5m per annum.

ELM also owns six public hostels with 2958 units. The hostels are resulting in significant losses to Council estimated to be between R20m to R24m per annum (Matthew Nel and Associates, 2005). An investigation into the options available regarding these assets has been finalized (Matthew Nel and Associates) and it is recommended as follows:

- Retain the hostel stock but outsource the full management function
- Lease welfare housing to Welfare Organization
- Transfer housing stock
- Transfer flats to Housing Association
- No final and formal decisions have been taken with regard to the above.

#### **1.2.4.7      Property Administration**

The function of the property section is to handle all applications pertaining to the sale and lease of Council land as well as the registration of servitudes over Council land and the maintenance of agreements in respect of Council properties (entering into new agreements and renewal of existing agreements) as well as the maintenance of a database of all Council properties.

A computerized database is in the process to be established. This database will include all information with regard to agreements, sale and lease transactions, tenders, valuations requested, legal documents received and signed, costs involved in transactions and income derived from sale of Council properties. All correspondence with regard to property transactions will be captured and would be electronically available.

A consultant (Emendo Town and Regional Planners) was appointed to do the Land Audit for all ELM properties. The Audit has been completed during September 2006. Although the land ownership process is dynamic, the status quo is based on extent and number of stands as indicated in the table below:

Number of Properties

Category	Private	Mining	Parastatal	Local Government	State Owned	No Details	Total
Erven	131668	512	210	9982	639	30	143041
Parks	-	-	-	888	-	-	888
Small Holdings	3606	-	-	7	-	-	3613
Parent Farms	57	-	5	8	-	-	70
Farm Portions	1660	-	167	91	88	-	2006
<b>TOTAL</b>	<b>136991 (91%)</b>	<b>512 (0.5%)</b>	<b>382 (0.5%)</b>	<b>10976 (7%)</b>	<b>727 (1%)</b>	<b>30 (0%)</b>	<b>149618 (100%)</b>

### **1.3 EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER**

#### **1.3.1 MANDATE AND PLANNING**

##### **1.3.1.1 Mandate**

The Emfuleni Local Municipality's strategic thrust is informed by the following:

- ❖ The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), especially Chapters 3 and 7;
  - ❖ White Paper on Local Government (1998);
  - ❖ Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
  - ❖ Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
  - ❖ Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); and
  - ❖ The ELM approved IDP.
  - ❖ The Five year Strategic Agenda of Government, i.e. the Key Performance Areas (KPA's) namely;
- Municipal Transformation and Organisational Development
  - Municipal Basic Service Delivery
  - Local Economic Development
  - Financial Viability
  - Good Governance and Public Participation

##### **1.3.1.2 Planning Process: Context**

Informed by the above mandate and the history of Emfuleni summarized below: Emfuleni Local Municipality embarked on an aggressive and comprehensive strategic planning sessions that was cascaded over several months to all levels in the structure of the Municipal Manager.

A. History

Prior and during the Project Consolidate intervention, there were major Institutional and Governance challenges identified that were critical in reviewing our plans and strategy, these included amongst others the following:

- Lack of Planning Capacity (Esp. Long Term)
- Lack of research & Development Capacity
- Poor Policy Development Coordination & Implementation
- Non Responsive Organizational Structure that was accommodative rather than functional
- Lack of Human Resources Development Strategy & Planning
- Poor Asset Management
- Poor Information Management Capacity (IT, Records, Administration)
- Poor Customer Service Ethos (Non-institutionalization of Batho Pele Principles)
- Lack of Communication & Marketing and Public Relations Capacity
- IDP and Budget Alignment not fully Credible
- Outdated delegations of Authority / Separation of Powers and Functions
- Inadequate Audit Capacity/Integrity
- Poor Risk management (Public, Business Risk, Operational Risk, Disaster Management etc)
- Major Performance Management System challenges (both for Personnel and Institutional).
- Non-existence of Inter-Governmental Relations Framework (District, Sectoral, Cities Network etc)
- Inadequate Information Management & Storage (Poor IT Infrastructure)
- Constraints in the form of shortages of offices accommodation, dilapidated office infrastructure, critical backlog of fleet and equipment
- Poor Fleet management, Utilization & Allocation
- Poor Management of Property (Rental & Council)
- Uneconomic Management (Maintenance) of Property

*B. Planning: Process and Outcome*

Emfuleni Local Municipality Planning Process and alignment of the mandate became a critical factor. It was a necessary and sufficient condition to put Emfuleni Local Municipality back to the critical performance path.

The evolution of the processes that Emfuleni Local Municipality engaged in to achieve and comply with legislation reflected in Section 2 above was preceded by the Bakgatla Strategic Planning Session process in August 2006. This process included Political and Senior Managers of Emfuleni Local Municipality.

In this strategic planning process we endeavoured to get an output that will vividly and explicitly ensure the important linkages between and among the following: Integrated Development Plans (IDP), Medium Term Business Plans; Medium Term Budgets; Service Delivery and Budget Implementation Plans (SDBIP's); Performance Management Development Systems (PMDS's) and Organisational Structure/Sound establishment i.e. organizational structure that is functional not only accommodative.

In developing the SDBIP's we opted on what we believed was a sustainable and the right route to take. We initiated an unprecedented programme of cascading the mandate, the strategy, mission, vision and strategic objectives to the majority of the staff. It was an unprecedented engagement which involved over 80% of the staff; across sections of senior managers to ordinary workers. We executed that process without outside consultants.

We took the opportunity to simultaneously effect the first KPA: Institutional Transformation and Development in the process of development of SDBIP's. This was to ensure that both the political leadership and the critical mass of officials and ordinary workers in the administration are empowered and given the opportunity to be able to be part of the transformation and development of this institution. It is pleasing to note that we are all seeing the fruits of that investment in human capital.

It was a protracted and productive process that aimed at ensuring building of capacity in Emfuleni Local Municipality by focusing on transformation of Service Delivery on our structures and systems as well as an intensive human capital investment initiative.

We are now confident that the Five Year Strategic Agenda for Local Government as well as the development of plans, (both financial and non-financial) are not a preserve for senior managers only but all staff at the coal face of delivery. This process extended over three months. We are confident that Emfuleni Local Municipality has "turned the corner" out of the Project Consolidate (i.e. out of ICU and critical care). We acknowledge still in hospital but certainly recovering steadily.

The outcome of this process was a common vision, mission, values, strategic goals as well as the high level organization structure. This was subsequently followed by the appointment of the Municipal Manager and the Section 56 Managers reporting directly to the Municipal Manager.

### **1.3.2**      **VISION**

*“A developmental municipality that continuously improves the quality of life.”*

### **1.3.3**      **MISSION**

Emfuleni Local Municipality will accelerate Service Delivery and Socio Economic Development by:

- Continuous Improvement of Quality and Quantity of Service Delivery
- Deepening Democracy and Strengthening Public Participation
- Achieve Sustainable Financial and Economic Viability
- Improving Institutional Capacity and Performance
- Capable of Achieving Efficiency and Effectiveness
- Create a Safe and Healthy Environment
- Live and Practice Batho Pele Principles
- Create a Conducive Environment for Local Economic Development

### **1.3.4**      **VALUES**

- Responsive
- Disciplined & Responsible
- Accountability & Transparency
- Respect
- Honesty and Integrity

### 1.3.5 **STRATEGIC OBJECTIVES**

- Provide Basic Services
- Achieve Sustainable Financial Viability
- Ensure Good Governance and Institutional Capacity
- Deepening Democracy
- Create the Culture of Effective Communication
- Ensure Social and Economic Development
- Promote a Safe, Secure, and Healthy Environment
- Promote Optimal Spatial Development

### 1.3.6 **OUR BRAND PROMISE / MOTTO - LEPETJO**

***“You belong, We care”***



### **1.3.7      STATE OF THE MUNICIPALITY AND IMPACT ON ITS MANDATE AND SERVICE DELIVERY**

#### **BACKGROUND**

Within the milieu of both the Vision and Mission of Emfuleni Local Municipality, the Municipality strives to accelerate service delivery and socio-economic development by, amongst others:

- Continuous improvement of quality and quantity of service delivery
- Creating a safe and healthy environment as well as living and practicing Batho-Pele principles.

In its sitting on 13 March 2007, The Municipal Manager submitted of which the Senior Management endorsed the concept. The first phase externally is project “Fiela Ngwanana”. Urgent support was sought from Council to launch the initiative during the 1<sup>st</sup> week of April 2007 to coincide and dove tail the “Botho-ke-Bontle” campaign on 24 April 2007.

Operation Restore Dignity will be executed within the Municipality internally as well as externally in co-operation with the Communities.

The aim of the programme:

- Boosting the morale of staff members at institutional level to create a sense of belonging and that the municipality values their contributions to improving service delivery.
- Focusing on improving capacity of the Municipality to deliver by:
  - embarking on the skill audit exercise
  - Identification of critical positions
  - Development of the organizational establishment and the structure appropriate/suitable to carry all functions to execute the mandate
- Renewing the readiness of the municipality in responding to the daily social needs of the community
- Taking practical steps, currently at an advanced stage, to create jobs through the waste management project, the target group being young women and youth in general.

- The popularization of ward-based Integrated Development Plan as a means to create sustainable community participation and development
- Reinstating investors confidence regarding their consideration of the region as an investment destination for creating new wealth and growing their businesses.

The 5 year Local Government Strategic Agenda identifies the following Key Performance Areas for Local Municipalities for execution:

- Municipal Transformation and Organisational Development
- Municipal Basic Service Delivery
- Local Economic Development
- Financial Viability
- Good Governance and Public Participation

### **1.3.8            STATEMENT ON MUNICIPAL FINANCIAL HEALTH**

#### **Overview of Finance Department**

The strategic objective of the Finance Department is to ensure long terms financial sustainability through implementation of sound corporate financial management. This is achieved through:

- Management of Municipal resources and assets in an effective and efficient manner
- Collection of all revenue due to the municipality
- Preparation of credible and sustainable annual municipal budget
- Implementation and maintenance of sound internal controls system
- Provision of accurate and reliable financial information to managers and other stakeholders to facilitate informed decision making
- Ensure that goods and services are procured at competitive and cost effective manner.

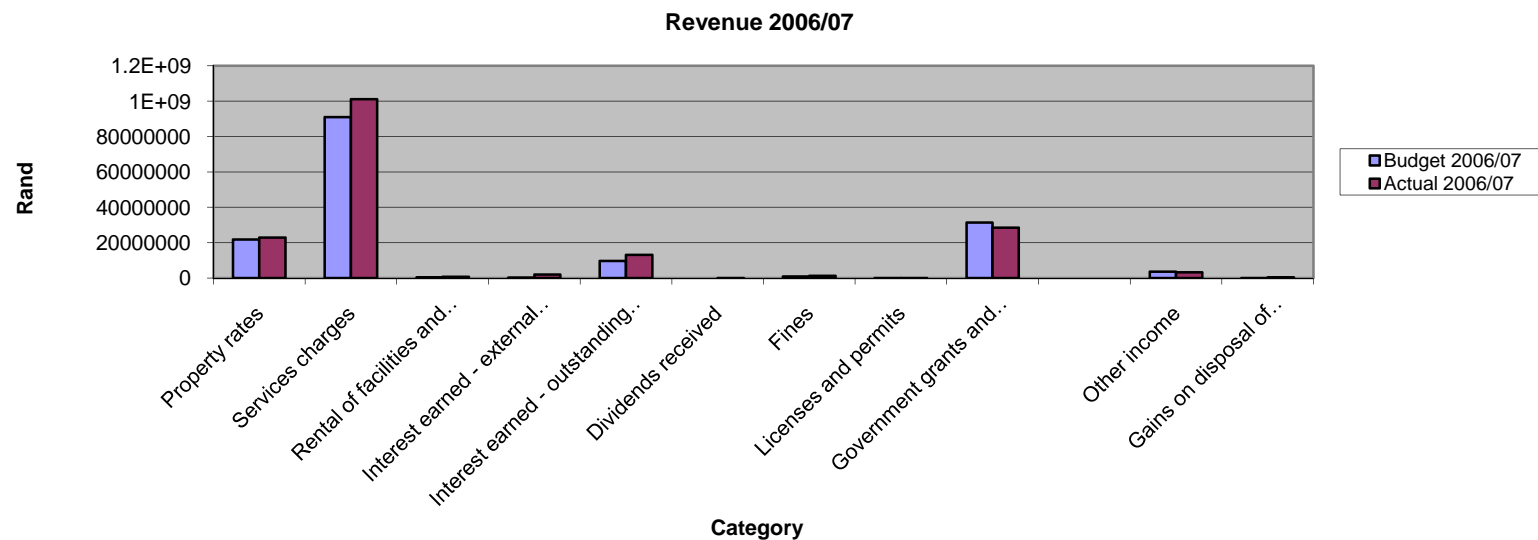
#### **Structure of Finance Cluster**

The finance Cluster comprises of the following departments:

- Revenue Management
- Debt Collection
- Budget Office
- Financial Control and expenditure
- Supply Chain Management Unit

## Financial Viability

Financial Viability is one of the five important Key Performance Areas in Local government. **The financial health and performance of Emfuleni Local Municipality improved significantly in 2006/07 financial year.** The municipality has in the current year met all our operating obligation and capital repayments timeously. Revenue generated from operating activities increased 13% and operating expenditure increased by an average of 14%. Grants and subsidies comprised only made 16,4% of the total income generated by Emfuleni. The sources of revenue are depicted on the graph below.



The municipality increased its reserves, cash and cash equivalents by 145% from previous year and was able to meet all its financial commitments were serviced with no defaults. No new borrowings were raised other capitalized lease liabilities relating to Emfuleni fleet renewal program.

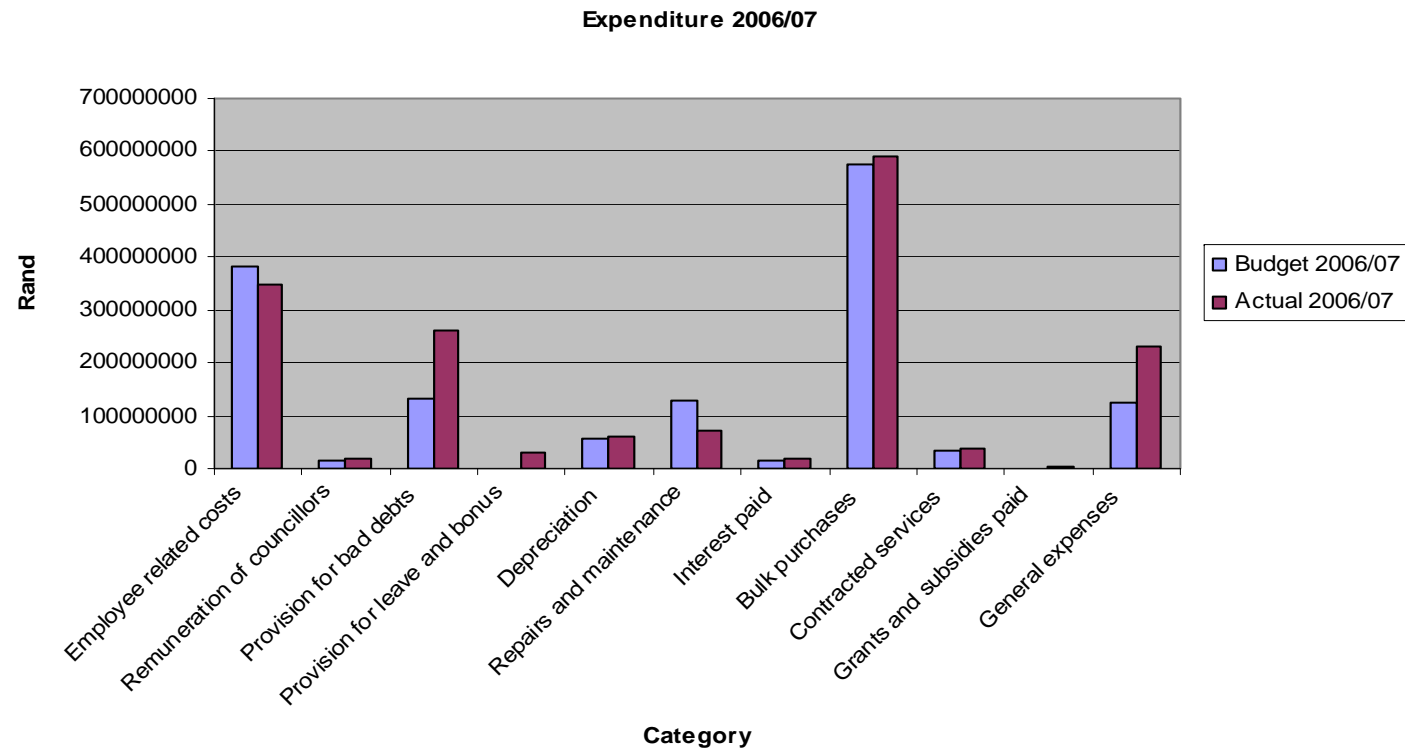
### **Debt Analysis**

Current Outstanding	30 - 60 days outstanding	60 - 90 days outstanding	More than 90 days outstanding	Total Outstanding
R	R	R	R	R
102 106 195	33 258 563	33 671 154	1 664 286 319	1 833 112 930

Outstanding debtors increased by an average of 8% form 2005/06 after a debt write-off of approximately R584 million. The collection rate was an average of 70% and there was minor improvement in the collection percentage from 67% in 2005/6. An average of 90% of the debtors relates to domestic consumer debtors, with water and rates and debtors as the major contributor. Emfuleni Local Municipality approved a new debt collection and credit control policy and will finalise data cleaning and indigent verification programs in the next financial year. Once the two programs are completed, the municipality will fully enforce Council approved collection policies.

### **Expenditure Management**

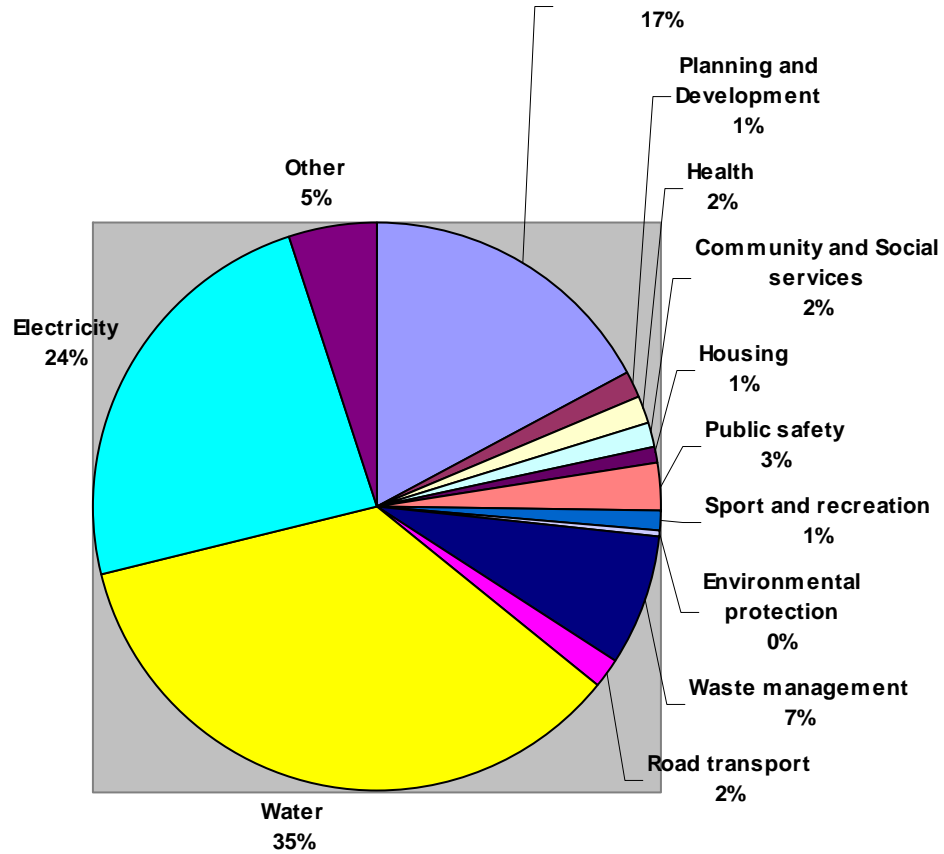
The graph below depicts the breakdown on general expenses. As it can be noted from the graph, bulk purchases for water and expenditure from Eskom and Rand Water comprises a major portion of the expenses followed by payroll expenses.



The graph below depicts the expenditure per service and it can be noted that 83% of the total expenses were expended on service delivery oriented department.

**Segmental Statement of Financial Performance**

**2006/07 Finance and Admin**



## Performance and Achievements

During the 2006/07 financial year, in an effort to improve on the control environment, Emfuleni Local municipality developed and approved a number of policies including the indigent management, Asset management, Investment management, policy of the write off of irrecoverable debts and Credit Control, Debt Collection and Customer care policies.

Emfuleni engaged in the indigent registration process with the assistance of Members of Mayoral Committee (MMCs), ward councilors, ward committee members, Community Development Workers, Emfuleni Local Municipality (ELM) and Sedibeng District officials. In excess of 38 000 indigent application forms were received and 90% captured on the “Venus Financial System”. Of the 38 000 files, 6 300 applications were found to be bona fide pensioners and in excess of 22 000 applicants were verified electronically which resulted in a write off of approximately R584 million of arrear debt.

The municipality engaged on a data cleaning exercise with the objective of improving the credibility of the billing database. A number of accounts across the categories of debtors were identified and the municipality is in the process of reconciling and correcting the accounts. The data cleaning exercise is expected to be completed by December 2008.

In line with the new Municipal Property Rates Act (MPRA), Act 6 of 2004, the municipal Council approved the MPRA implementation plan and the municipality intends to complete and implements the Act by the 1st July 2009.



## **CONCLUSION**

The main achievement administratively were the development of the (Frame Work: Emfuleni Local Municipality Corporate Planning Cycle) that is aligned with the Provincial and National Planning Cycles. This is crucial in executing the implementation of the National Spatial framework as well as the Provincial and District growth and development strategies. This will ensure consolidation of the IGR Agenda across all spheres of government. See Annexure A included.

As a vehicle of executing the above, Emfuleni Local Municipality council approved the Governance Cluster Support Structure for informed decision making. This structure will ensure intergration in planning and delivery, thus enhancing maximum impact in delivery on the ground. See Annexure B included.

We are confident that all these initiatives will be an important catalyst in driving Emfuleni towards new and higher critical growth path.

**DR M M BAKANE-TUOANE**  
**MUNICIPAL MANAGER**

## ANNEXURE A

## **ANNEXURE B**

**CHAPTER 2**

**"DELIVERY**

**ON**

**MANDATE"**

**Performance**

**Highlights**

## ***2.1 BRIEF NARRATIVE OF ALL SERVICES, PERFORMANCE HIGHLIGHTS & LEVEL OF SERVICES***

### **2.1.1 ENGINEERING SERVICES**

#### **2.1.1.1 ELECTRICITY**

##### **Narrative**

Emfuleni Local Municipality provides municipal services directly to the community of Emfuleni. The Municipality is licensed to provide electricity mainly in the Vanderbijlpark, Bophelong, Boipatong, Ironsyde, Eatonsyde, Roshnee, Rust ter Vaal and Vereeniging areas whilst Eskom has been licensed to provide electricity in the remaining areas.

Free basic electricity (FBE) was provided to approximately 5 920 consumers, on average, per month (3 920 by the municipality and 2 000 by Eskom) within the Emfuleni municipal area. Free Basic Electricity of 50kWh/month is provided to registered indigents. Eskom invoices the Municipality on a monthly basis for all Free Basic Electricity issued by them.

##### **Achievements**

During 2006/07 projects to the amount of approximately R8 000 000 (for the electricity network) and R10 692 000 (for public lighting) were approved by the Council and executed by the Electricity Department to improve and sustain the delivery services to the community. The projects that were executed and either completed 100% or rolled over partially to the 2007/08 financial year were as follows:

- Replacement of vandalized overhead copper distribution lines (approximately 15 000m) with insulated bundle conductor (R1 800 000)
- Upgrading of 11kV network in the Three Rivers area R1 096 200
- Cost analysis of the electricity tariffs (R168 000). The revised tariff structure was also approved by the National energy Regulator of South Africa (NERSA).
- Completion of the Status Quo Assessment of the electricity function in terms of section 78 of the Municipal Systems act (R450 000).
- Completion of the upgrading of 88kV isolators at the Munic 88kV substation (R858 579)
- Upgrading of 11kV main supply cables and switchgear (phase 2) in SW5, Vanderbijlpark to accommodate growth in the demand for electricity (R1 193 000)
- New electricity connections and unforeseen network expansions (R2 400 000)
- Installation of high mast lighting, funded by MIG, in the following areas;
  - Evaton West 38 masts: R3 517 805
  - Evaton Small Farms 38 masts: R3 655 522
  - Sharpeville 38 masts: R3 518 906

All of the above expenditure was funded by Emfuleni. An amount of R3 500 000 was raised by means of a levy of 1,2% on the sale of electricity. This levy was approved by NERSA.

As stated in earlier annual reports consumers have become wise to the bypassing/tampering with especially prepaid meters and this continuously leads to a loss of income. The auditing of suspect meters was continued. This is indeed a time consuming exercise but has led to an increase in prepaid related income of approximately **R15m** for the 05/06 financial year when approximately 13 649 meters were audited and 1 669 meters were replaced. Auditing of another 23 817 meters continued during 2006/07 to ensure that the income levels would be sustained. This work is mainly done by local contractors and is therefore also of benefit to the local community.

Electricity purchases for the 2006/07 financial year amounted to R373 484 067 for 2 224 689 464kWh. This was an increase in energy purchases of approximately 10,74% on that for 2005/06. The electricity is sold to industrial/commercial/agricultural and domestic customers. Approximately 75% of the electricity is sold to industrial and commercial customers and the remaining 25% is sold to domestic and agricultural customers and for the municipality's own use.

The effective delivery of services by the Electricity Department was continuously hampered by the continuing flood of theft of electricity infrastructure. Valuable time and money has to be directed on a daily basis to rectify problems caused by this theft. A major incident occurred on 8 August 2006 when the 11kV side of the Unibijl 88/11kV substation burnt down following an attempted cable

theft. The estimated damage caused by this amounts to R10m. Processes were put in place to repair/replace the damaged equipment and by the close of the financial year repairs were approximately 805 complete.

### **Level of Services**

There is no backlog in the provision of service connections (electricity) to all proclaimed and developed areas. Applications for electricity connections are processed as they are received and the necessary connection fees paid. All electricity customers receive a full service but it is differentiated in terms of connection size in relation to connection fees paid. A large percentage of customers are metered via prepaid meters, which facilitates the management of usage by customers. The level of service (20ampere connections) funded by DME via the electrification funding is the cause of much equipment failure due to overloading. It is felt that DME should increase its funding per connection to allow a connection size of at least 40 ampere to prevent overloading problems.

### **Infrastructure**

Although the municipality has been able to assist all developers and applicants by providing electricity, the lack of investment in the upgrading/refurbishment/expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated whilst component failures are on the increase. It is therefore absolutely essential that the municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electricity function. It is also our experience that there is a boom in the development of vacant land as well as the densification of existing developments, which is placing a huge demand on the provision of electricity and most probably other services as well. The electricity infrastructure will not be able to handle the increasing demand for electricity and the expansion, refurbishment, upgrading thereof must start without further delay. In order to accommodate new developments the developers are required to assist with the funding for network expansions.

## **2.1.1.2      ROADS AND STORMWATER**

### **Narrative**

The core function of the Roads and Stormwater Department of Engineering Services Cluster of Emfuleni Local Municipality is to ensure the safety of human life and properties, as well as ensuring infrastructure for economic development through the provision of a functional roads, storm water and road traffic sign network within Emfuleni Local Municipality.

In order to provide these services various engineering and municipal disciplines needs to be performed. The operations of this Department can be divided into two main categories namely, Construction and Planning.



## **Planning**

Planning and administration is done by Managers and Technicians. No planning section exists in the Department and operational as well as planning issues must be addressed by the same staff.

Over and above the normal construction and budget planning the Departments has to enforce proper planning of developments and compliance to Bylaws in the area. This is achieved by evaluating Town Planning applications, services agreements, site development plans, engineering drawings and building plans.

Furthermore, the Department evaluates complaints from public and politicians and subsequently uses this information to identify new projects and prioritize maintenance operations.

In the 2005/2006 financial year request for proposals were invited for preparation of engineering services master plans. The existing cadastral information from the Surveyor General's Office was not reliable and the cadastral information had to be recaptured by OSS to enable the Master Plan status Quo to be finalized. This document will probably be finalized by start of 2007/2008 financial year. The document will aid in the proper planning of future developments and prioritizing of projects and maintenance, looking at the short, medium and long term scenarios.

## **Construction**

The Roads and Stormwater Section has three (3) maintenance Depots where is situated in Vanderbijlpark, Vereeniging and Sebokeng. Cumulatively they must maintain 1 364km of tarred roads, 1 031km gravel roads, 462km stormwater pipes, 194km open channels, 11 155 catch pit units, 144 041m<sup>2</sup> road markings and 4 408 road signs in order to provide a functional roads and stormwater network.

Due to backlogs and personnel constraints, maintenance teams are mainly involved with corrective maintenance with a small portion of preventative maintenance. When projects identified are funded these projects are then managed by consultants in conjunction with officials and external contractors.

Capital Projects to the amount of R13 171 931-00 were approved and executed in 2005/2006. The following table indicates the projects:

	<b>Project Name</b>	<b>Description</b>	<b>Value</b>
Implementation of MIG Projects	Master Plan (In Progress)	Development of Master Plan with Status Quo and Short to Long term infrastructural needs.	R500 000-00
	Bophelong Ext 11,12 & 17 (In Progress)	This is the construction of various stormwater services in Bophelong area and to approve access to Ext 12 &13	R5 460 000-00
	Stormwater Canal Jet Nteo School in Boipatong(In Progress)	Construction of a cut of drain to avoid flooding of lower laying stands	R455 000-00
	Dr Nkomo Street Boipatong South(In progress)	0,8km of tar road 0,65km s/w pipes	R4 446 124-00
	Amatola Street Boipatong North	0.7km of tar road	R1 314 102-00
	Qamata Street Bophelong Ext 17 & 18	1,03km of tar road and associated stormwater	R3 900 000-00
	Kadar Asmal Street Bophelong Ext 2	0.53km of roads and associated stormwater	R2 171 000-00
	Resealing of existing roads Labmax Way (Sebokeng and suburbs)	25,5 km of existing tar roads was resealed on this project labor intensively employing a total 104 people over 12 months	R9 000 000-00
	Stormwater pipe zone 11 (erf 14 407)	Implementation of storwmater pipes and catchpits	R637 000-00
	Labor Intensive Construction of Gravel Roads Mantevrede	George St 1,1 km, Friedman St 2,24km,and Hally St 0,5km tar roads constructed	R3 375 000
	Vanderbijlpark rehab & reseal	9,59km of roads was rehabilitated	R8 650 000
Implementation of Gautrans Projects (Top 20 Townships)	Phuthatswana Road (Sebokeng Zone 13)	1,2km of tar road	R3 000 000
	Hlafeng Road (Sebokeng Zone 13)	1km of tar road	R2 791 533
Implementation of Gautrans Projects (Top 20 Townships)	Motebane Road (Sebokeng Zone 11)	1,25km of tar road	R2 648 329
	Thusano Road (Sebokeng Zone 11)	1km of tar road	R2 012 404
	Poto Road (Sebokeng Zone 12)	1,25km of tar road	R2 420 000
Implementation of DBSA Projects	Bophelong Western External Stormwater	Stormwater Bridge on P129-1	R1 736 785-00

	<b>Project Name</b>	<b>Description</b>	<b>Value</b>
Implementation of Sedibeng Projects	Road Patching – Zone 10, 14 & 16	4 200 potholes	R1 025 000-00

### **2.1.1.3      WASTE AND CEMETERIES**

#### **Narrative**

Emfuleni Local Municipality provides the following municipal services directly to the community of Emfuleni.

Waste management is categorized in four key functions viz, household, business and industrial refuse collection, landfill sites management, mini dump / transfer facilities and township and CBD cleansing.

Residential waste is collected once a week in the following areas: Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong, Tshepiso, Vanderbijlpark and Vereeniging, (a total of 132,800 households) being serviced on a sustainable basis, excluding Evaton West and Bophelong Focus. Business waste is collected on a daily basis in mainly the Vanderbijlpark and Vereeniging areas, (a total of 1,453 stands) the total serviced stands & households is 134 483. Street sweeping services are also being done in mainly the CBD areas of Vereeniging and Vanderbijlpark (and outer business centers), Sebokeng taxi rank and all main roads.

In terms of bulk service delivery and final disposal of waste at landfill sites, Council operates 4 mini dump/transfer stations in the Vereeniging area and operates Waldrift and Palm Springs landfill sites. A contractor is appointed to operate disposal at Boitshepi landfill site.

In terms of Cemeteries, Council is responsible to maintain the four closed Cemeteries (Evaton, Boipatong, Vereeniging and Vuka Cemeteries) of which the services were rendered by Council commencing during the 2006 / 2007 financial year.

Free basic services are provided to registered indigents only and forms part of the reduced monthly rates and tariffs.

## **Achievements**

During 2006/07 projects, equipment and infrastructure to the amount of approximately R23,747,142 were approved by the Council and executed by the Waste and Cemeteries Department. The projects were executed and either completed 100% or rolled over partially to the 2007/08 financial year were as follows:

- Develop new General Waste Landfill site (multi year project to 2009 / 2010)
- Close and rehabilitate Boitshepi landfill site (multi year project to 2009 / 2010)
- Close and rehabilitate Zuurfontein Landfill site - 90% completed and R.O.D. (Record of Decision) issued. This project will be completed during 2007 / 2008 financial year.
- Palm Springs Landfill – Permit application submitted t (design and construct a class B- small landfill site).
- Waldrift Phase 3B constructed in terms of D.W.A.F. minimum requirements. The application for permit process will be dealt with in the 2007 / 2008 financial year.
- Eradicated backlogs in terms of household weekly waste collection services to 24,500 households for the Bophelong Focus, Mantevrede Small holdings and Evaton West communities.
- Removed a total of 950 cubic metres (eradicated a total of 110 illegal dumps) of waste that was lying in the previous disadvantaged areas in a special clean up campaign that was conducted during the third and fourth quarters of the financial year.
- Cleaned Kwagga Stroom, Borrow Pits illegal dumping areas and clean the entrances to Sharpeville dam and beautified the area by planting 67 trees being looked after by the community.
- With funding obtained by D.E.A.T a buy back centre is to be established at Bophelong (R1,200,00).
- Provided EPW job opportunities to 190 persons for a period of 6 months to sustain cutting of grass operations.
- All of the closed cemeteries were provided with proper concrete palisade fencing (5,500 metres).
- Develop a Masterplan for Waste and cemeteries (80%) completed that will be completed during the 2007 / 2008 financial year.
- The Department of Agriculture, Conservation and Environment (G.D.A.C.E.) awarded total of R90,000 of price funds (Bontle Ke Botho project) for Wards 22, 26, 34 and 36 during the 2006 / 2007 financial year.
- A total of 28 vehicles comprising of refuse compactors, tipper trucks, front end loaders and ldv's were replaced during the 2006 /2007 financial year.
- For the first time in this council's history, a five year and one year Business plan were compiled for the Department and included representatives of all levels of officials, as well as union representatives. This exercise was conducted under the auspice of the Deputy Municipal Manager: Service Delivery and is in process of being adopted by Council.

All of the above expenditure was funded by a combination of MIG and Emfuleni. The total actual expenditure for the execution of the projects listed above to eradicate backlogs were R21,584,706 spent for the 2006 / 2007 financial year.

The effective delivery of services by the Waste Department was continuously hampered by critical vacancies and the shortfall of vehicles experienced (due to standing time) of the old fleet of vehicles.

### **Level of Services**

All formal housing areas are currently being provided with a sustainable weekly household collection service.

### **Infrastructure**

None of the Landfill sites are permitted for operations and final closure processes. Approved MIG funding provided for the procedures to be put in place are being executed on all landfill sites in multi years projects explained above. The total of business plans submitted and are pending, will also focus on upgrades and new establishments in terms of mini dump / transfer stations for the following 3 years.

#### **2.1.1.4      FLEET MANAGEMENT DEPARTMENT**

##### **2.1.1.4.1      FLEET MANAGEMENT**

#### **Narrative**

The Fleet Management department is responsible for all day-to-day fleet activities which include the renewal of fleet; licensing of fleet; traffic offences; fleet asset register; accident repairs; sale of redundant fleet and fleet maintenance. The department comprises two divisions; namely Fleet Management and the 2 Mechanical Workshops (one in Duncanville and Vanderbijlpark).

The fleet renewal programme which started in the 2005/06 financial year continued into the financial year under review. All vehicles and equipment procured during 2006/07 financial year were delivered except the Fire Engines for Fire and Rescue Services. The delivery of those vehicles will take place during the first quarter of the 2007/08 financial year. In total ELM received 253 new vehicles and equipment for the various departments. Of these vehicles, 90 were additional vehicles and the rest were replacement of old vehicles and equipment. This fleet renewal resulted in higher vehicle availability to support the service delivery departments to perform optimally. It is estimated that the availability of vehicles and equipment increased from 45% to 70%. The actual availability will be measured by on-board computers that are presently being installed and in the next financial year a more accurate figure will be determined.

***The following Departments received new vehicles and equipment:***

Building	10	Corporate Services	3
Development Planning	9	Electrical	18
Finance	8	Fire and Rescue	11
Health	9	Human Resources	1
Mayor's Office	4	Mechanical	4
Metsi Lekoa	39	Parks	21
Roads	30	Sport	9
Stormwater	10	Traffic	39
Waste Management	28		

A service provider for the electronic fleet system was appointed in February 2007. The system installed comprises a Mechanical Workshop Management System "Freeway", an on-board Computer System (CI 300) for all vehicles and equipment to monitor the usage of the fleet as well as a Fuel Control system (AFS) to monitor fuel usage and bowser control. Installations on vehicles and equipment started in May 2007 and will be completed by the end of November 2007. The Mechanical Workshop Management System was installed and is already operational. The Fuel Control System at the three bowser points were also installed during the year under review and is fully operational. Reductions in fuel consumption have already been noticed and will result in major cost savings.

The main task of the Risk Control Room will be monitoring of ELM vehicles and equipment as well as the generation of reports in terms of fuel usage; vehicle use and abuse as well as reports from the 'Freeway Mechanical Workshop Management' programme to improve service delivery from the Mechanical Workshop.

#### **2.1.1.4.2 MECHANICAL WORKSHOPS**

The workshops' main function is to maintain the ELM vehicle and equipment fleet. Given the recent implementation of systems, more monitoring of turn-around time for services and repairs have realised an increase to 35%. The productivity goal for the year was set at 80%, but could not be met due to the Electronic System only being introduced during May 2007. Tenders for upgrading the Mechanical Workshop in Duncanville is in the process of being evaluated and should be adjudicated before the end of October 2007. The upgraded workshop will contribute to increased productivity and turn-around time.

The Workshop Management System 'Freeway' is fully operational with a few teething problems to be solved. This will enable ELM to start scheduling vehicles and equipment for services (preventative maintenance) which will decrease breakdowns in the future. The date envisaged for implementing the scheduling is end October 2007.

During the 2006/07 financial year a total of 4768 work requests were received by the two workshops, an average of 23.84 per working day. With the electronic system in place, we will be able to provide reports to all user departments on the status of their vehicles and equipment. The total spent on repairs amounted to R15 million for the 2006/07 financial year. We envisage great savings under this vote during 2007/8 as the regular scheduled services will reduce repair costs and new fleet was replaced with full maintenance lease vehicles.

The Mechanical Workshop embarked on a Diversity Management program with all its employees. During May 2007 all employees attended a diversity management workshop facilitated by Resolve Management Consultants. These workshops have increased awareness of each others cultures and differences. During the last day of the workshop, a comprehensive list of activities was compiled for the group in order to improve relationships. The year ended on a high note for all and we look forward to the challenges of 2007/8.

#### **2.1.1.5 WATER AND SANITATION SERVICES (METSİ-A-LEKOA)**

Metsi-a-Lekoa is a ring-fenced water services business unit of the Emfuleni Local Municipality.

Metsi utilizes immovable and movable assets of the Emfuleni Local Municipality for the distribution of potable water, collection and conveyance of wastewater and the treatment of waste water. In addition to these functions Mets-a-Lekoa is responsible for the maintenance of the water services system and all costs associated with all the assets including maintenance, insurance, licensing and running costs.

The water system consists of pipe networks, 10 low level reservoirs, and a small potable water treatment plant. The sanitation system consists of gravity pipelines and 48 sewage pump stations and their pumping mains. The wastewater treatment system consists of three wastewater treatment works. The largest of the wastewater treatment works being operated is the Sebokeng water treatment facility with a capacity of 116Ml/day.

In addition to the above, Metsi-a-Lekoa has a Planning section and provides a proactive customer care service.

## **Achievements**

- **Extension of water supply and new connections.**

During the 2006/7 financial year 2 317 households were provided with water connections. 900 stands in a new housing development in Tshepong were provided with water connections. Water networks were installed in Dreamlands and Sylviavale agricultural holdings to provide 367 new water connections. 13 and 8 standpipes were provided in Sebokeng zone 10 and Sonderwater informal settlements respectively. This provided water within 200m of approximately 1050 households. The 900 stands in Tshepong was also provided with a level 2 sanitation service, i.e. toilet structures connected to a sewer pipe network but toilets are without cisterns for flushing.

- **Third Regional Water Week Summit**

Metsi-a-Lekoa hosted the thirds Summit which was attended by the MEC for Local Government, Ms Qedani Mahlangu as the keynote speaker. The summit was attended by not less than 196 delegates from across the various disciplines in government. The areas of focus were the financial modeling of how to finance municipal projects and best practices in relation to spending the budgets. The technical stream looked at the innovations of the private sector in delivering basic municipal services jointly with municipalities. The other key area of focus was the capacity of municipalities to execute the constitutional mandate.

The final Summit focus area was the social perspective, this session enable the Summit to discuss means and mechanisms which ensures the involvement of communities in various projects. It also looked at success stories in relation to public participation and conclusion of community based projects, through the utilization of local labour

- **Water Demand and Conservation Management**

Consistent with the implementation of the strategic program of reducing water losses and wastage in the municipal areas, the water services unit during the year under review continued to implement various programs and project which contributed to the reduction of water losses and promoted water use efficiency.

Some of the initiatives included amongst others, the refurbishment of zonal and regional valves and the auditing of bulk consumer meter. A community education and awareness programme was implemented whereby four CLOs were trained by WRP an extensive water-wise education program and covered the critical areas of Boitumelo and Johandeo, where we were experiencing very high water wastage.



On the technical side, we installed 7 480 domestic water meters in zone 10. Repaired and recalibrated all the pressure reducing valves (PRVs). We also managed to resolve the intermittent water supply to both Palm Springs and Evaton West. This was after doing a technical analysis of the water supply network to these two areas.

The Sebokeng/Evaton pressure management project continued to be a beacon and light and hope for the conservation and reduction of water in our area. The project for the period of July 2006-June 2007 enabled us to save 11 126 903 kl which in rand value amounts to R32 328 777.22. This in real terms means we have reduced our bulk purchases from RAND water by the value without compromising or reducing the quality of water services, on the contrary we have improved the service and quality of water provision as can be seen in the report. The table below indicates the total savings achieved over the period, only for the Sebokeng/Evaton area.

MONTH	KL SAVED	% SAVED	TOTAL AMOUNT SAVED	PAYMENT TO WRP	NETT SAVING TO COUNCIL	WRC LEVY PAYMENT
Jul-06	1,518,550	46.8	R 4,412,087.08	R 377,128.78	R 4,034,958.30	
Aug-06	981,823	30.2	R 2,852,647.97	R 378,290.96	R 2,474,357.01	
Sep-06	866,130	27.4	R 2,516,506.52	R 367,133.99	R 2,149,372.53	
Oct-06	741,900	22.7	R 2,155,561.14	R 380,499.11	R 1,775,062.03	
Nov-06	1,060,200	33.4	R 3,080,369.22	R 369,225.92	R 2,711,143.30	
Dec-06	870,700	26.4	R 2,529,784.46	R 382,707.26	R 2,147,077.20	
Jan-07	880,700	26.7	R 2,558,839.06	R 383,869.44	R 2,174,969.62	
Feb-07	731,900	24.5	R 2,126,506.54	R 347,609.29	R 1,778,897.25	
Mar-07	827,000	24.9	R 2,402,815.83	R 386,077.59	R 2,016,738.24	
Apr-07	1,070,600	33.2	R 3,110,586.01	R 374,688.19	R 2,735,897.82	R 58,906.06
May-07	825,700	24.7	R 2,399,038.73	R 388,285.74	R 2,010,752.99	R 33,391.40
Jun-07	751,700	23.2	R 2,184,034.66	R 376,780.12	R 1,807,254.54	R 4,175.70
<b>TOTAL</b>	<b>11,126,903</b>	<b>24.7</b>	<b>32,328,777.22</b>	<b>4,512,296.39</b>	<b>27,816,480.83</b>	<b>96,473.16</b>

- **Schools Mural Art Competition**

During the National Water Week, we launched a school art competition for the primary schools in the Emfuleni municipal area. The participating schools were expected to paint water conservation, water wise and efficient water use as the various

themes of the competition stages where in each stage the number of schools were reduced by elimination by a panel of judges who was comprised of DWAF, Vaal University of Technology(Fine Arts Department) and Metsi. The competition ran for eight months finally came to an end. There prizes to be won were designed in such a manner that both the school as an institution and the participating learners will each win prizes.

The tables below give a clear indication of what prizes were given to the top ten winning schools and the respective learners.

<b>Prizes for Schools</b> <b>Prizes will be listed from positions 1 – 10.</b>	
<b>Position of School</b>	<b>Prizes for the School</b>
<b>Position 1</b>	<b>R 20 000</b>
<b>Position 2</b>	<b>R 10 000</b>
<b>Position 3</b>	<b>R 9 500</b>
<b>Position 4</b>	<b>R 8 500</b>
<b>Position 5</b>	<b>R 8 000</b>
<b>Position 6</b>	<b>R 7 500</b>
<b>Position 7</b>	<b>R 5 000</b>
<b>Position 8</b>	<b>R 3 500</b>
<b>Position 9</b>	<b>R 2 500</b>
<b>Position 10</b>	<b>R1 500</b>

<b>Prizes for Learners</b>	
<b>No. of children</b>	<b>Prizes Cost</b>
<b>600 Learners</b>	<b>Certificates of participation</b>
<b>Top 30 Schools 300 Learners</b>	<b>R20 Mc. Donald meal Vouchers.</b>
<b>Top 15 Schools 150 Learners</b>	<b>R30 Movie Vouchers for popcorn, refreshments, etc.</b>
<b>Top 10 Schools 100 Learners</b>	<b>R55 Spare meal Vouchers.</b>
<b>Top 05 Schools 50 Learners</b>	<b>Tours to the Gold Reef City, with transport, voucher meals and entrance fee being catered for.</b>

This program saw a total of 600 learners go to Sebokeng Water Care Works and Rand Water Vereeniging Pumping station for three hours educational tours. The educational tours were presented by Metsi-a-Lekoa staff and Rand Water respectively. Educators were also part of the tours; their total number was 120 as each school had to ensure that there are at least two educators accompanying their learners of these tours.

We have managed to reach and 720 household units through this means of creating awareness and in return we have further reached a huge number of recipients of the message from the 720 participants who directly had contact with their peers and colleagues. We are surely getting to create a water wise generation and community through this program

- **Domestic Water Meter Installations**

As a key program to monitor water use and an objective measure of the total volume consumed by each domestic consumer, the water services unit embarked upon a meter replacement program making use of the water demand management grant funding which was received from the department of Water Affairs and Forestry (DWAF) Which totalled R3 million during the year under review.

A total of 7480 meter were installed and repaired in zone 10 extensions. This enables us to monitor and objectively measure the water used by each individual household in the area. Its was also the first step towards moving away from flat-rate billing to consumption billing which can only improve our revenue streams.

- **Diamond Award Prize: PMR Review**

An independents business survey was conducted by PMR over a period of four months, this review rated Metsi-a-Lekoa as the best and overall winner in the category of water services in the Sedibeng region scoring a total of 4.64 out of a total of 5. This won us the prize of a Diamond Arrow. The prizes were awarded at a breakfast prize giving function whereby the Executive Mayor and then MMC: Electricity, Water and Sanitation receive the Diamond Arrow Award.

The review and audit by this independent organization was a indication and confirmation of the sterling work which is done and which ultimately was recognized by business community, the public and consumers that the unit is indeed making a difference in the live of our people in the region

The following major projects were undertaken during the 2006/7 financial year:

<b>Project Name</b>	<b>Project Cost</b>	<b>Description</b>
Rehabilitation of sewer mains and pump stations	R 5,793,000	Problem sections of existing sewer mains were replaced and upgrade of existing sewage pump stations
Rehabilitation and upgrade of Rietspruit and Leeuwkuil Waste Water Treatment Works	R 12,813,000	Consultants were appointed to optimize existing plant processes and prepare tender documents. Contractor was appointed for R45m (multi-year project).
Regional Sanitation Scheme	R 1,300,000	DWAF appointed engineer initiated proposal to construct new "Regional Waste Water Works". Rand Water was appointed by DWAF as Implementing Agent to start project
Master Plan	R 250,000	Consultants were appointed for all engineering services to capture existing infra-structure and prepare master plan
Quaggasfontein bulk water and sewer services	R 17,000,000	Quaggasfontein provides about 15,000 new serviced stands at a total estimate cost of R120m. Contractor was appointed for Phase-1 of R20.5m (multi-year project).
Bulk water supply to Sonderwater	R 1,200,000	Bulk water supply line was installed for about 1200 new stands
Water supply to Agricultural holdings	R 2,959,000	About 160 holdings in areas like Dreamlands, Sylviavale, Louisrus, Waterdal and Rosashof were supplied
Palm Springs water supply	R 3,200,000	Construction of internal mains was done to improve supply to area. Also amount of R2.7m paid to Rand Water for a new connection
Rehabilitate Vaaloewer Water Purification Plant	R 1,650,000	The existing water purification plant was replaced to improve drinking water quality
Water Demand and Water Conservation Management	R 4,500,000	Consultant and contractor was appointed (multi-year project) to initiate WCWDM program. Savings from this initiative is saving Council R30m per year since July 2006

Construction and Development of internal water and sanitation services projects	R 850,000	Over-all supervision and take over of completed W&S internal services for about 3,000 stands like: Thepisoxx2, Unitasparkx8, SE8, CE3, Powervillxx2, Evaton ext 5 and 6
Approval building plans, way-leaves, comments on new developments and information supplied	R 1,200,000	Control and manage of about 7,141 connections to existing W&S infra-structure
Operation and Maintenance of existing Sanitation system (Sewer mains, pump stations and WWTW's)	R 40,670,000	Normal O&M should be about 3% of replacement cost of existing infra-structure (R2,650,000,000) which is R80m per year
Operation and maintenance of existing water supply system	R 28,397,000	Normal O&M should be about 2.5% of replacement cost of existing infra-structure (R1,750,000,000) which is R44m per year
<b>Total</b>	<b>R 121,782,000</b>	

### **Level of Service**

The condition of the water and sewer networks is acceptable. Some of the sewage pump stations and the Rietspruit and Leeuwkuil wastewater treatment works need to be upgraded and rehabilitated to attain compliance with the environmental and legal requirements. Upgrading of these started in 2006/7 and will continue in the 2007/8 financial year.

Low water pressure in the water supply system in Palm Springs has been a problem for a number of years and was partially resolved in 2006/7 by the installation of an additional ring feed. However the problem will only be eliminated with the installation of a separate Rand Water supply dedicated for Palm Springs during the 2007/8 financial year.

The quality of the potable water from the treatment plant in Vaal Oewer also didn't comply with the required standards. However this plant was upgrade in the 2006/7 financial year.

#### **2.1.1.6      PUBLIC WORKS**

##### **Building Plans Information**

<b>Applications Outstanding 01 July 2006</b>	<b>Category</b>	<b>Number of New Applications Received 2006/2007</b>	<b>Total Value of Applications Received in Rand</b>	<b>Applications Outstanding 30 June 2006</b>
0	Residential New	4 236	619 699 312	0
0	Non Residential	63	295 641 210	0
0	Additions	1 766	361 386 160	0

### **2.1.2    PUBLIC SAFETY AND COMMUNITY DEVELOPMENT**

#### **2.1.2.1      SPORTS, RECREATION, ARTS & CULTURE (SRAC)**

This department has four (4) divisions e.g. Parks and Open Spaces, Library Information Services, Sports and Recreation and Arts and Culture. In the year under review, the following activities were taken up:

##### **2.1.2.1.1      PARKS & OPEN SPACES**

## **Achievements**

### **Major Events**

An average of 5 trees per institution was donated to 121 schools and 9 churches in the jurisdiction of Emfuleni Local Municipality. In total 650 trees. The Parks division gave training on how to plant the trees and taking care of them. All the trees were planted on the premises of the institutions identified above.

On Tuesday 6 June 2007 an Environmental day was held at the Tsoaranong Primary school in Tshepiso. All children participated in different plays and coloring competitions involved in environment. Eskom donated T-shirts and other items that were used for the prizes for the best performers and artist with the coloring competitions. Sedibeng District sponsored the catering for the event.

On Thursday 7 September 2006 Arbor Day was held at Poelono Secondary school in Evaton West. All children participated in different plays and coloring competitions involved for Arbor Day. Eindhoven Nederland sponsored the entire program.

This division has also being able to provide maintenance and cut 271 ha of grass on developed parks and large traffic islands. An additional 1 070 ha of grass on undeveloped parks, small islands and office gardens were also cut.

### **2.1.2.1.2      LIBRARIES**

In terms of the Constitution of the RSA, Schedule 5, Part A, Libraries, other than National Libraries, are an Exclusive Legislative Provincial Competence, which makes it an unfunded mandate. However, ELM is currently managing twelve (12) Community Libraries.

The assignment process is currently getting urgent attention and Service Level Agreements will be signed shortly in order to formalize the roles and responsibilities.

## **Achievements**

### **General**

Continuous growth in membership clearly indicates the necessity for Library and Information Services. (Registered members: 93 752).



The books that have been ordered have been delivered and must now be made shelf ready for users to use. (Current stock: 525 304).

A pilot project to use SABINET for copy cataloguing purposes was funded by Gauteng Province. 3 Members of staff has been trained and are currently busy with the copy cataloguing of library material. It is however difficult, because these personnel are also responsible for counter duties.

After submission of Business Plans for ICT and Reading Programmes for 2006/2007 and 2007/2008 funds have been transferred to the amount of R165 800 for ICT and R80 000 for Reading Programmes for 2006/2007 and R737 500 for ICT and R 80 000 for Reading Programmes for 2007/2008.

Funds for information resources from Province after submission of Business Plans to the amount of R386 000 for books and R87 000 for subscription to periodicals and newspapers for 2007/2008 has been received.

After Business Plans have been submitted R1 820 000 was allocated to Emfuleni LIS by the Department Arts and Culture for appointment of staff and purchasing of new library material.

### **Achievements (other)**

Collection development (1% Increase in new library material)

- Address user needs
- Bridge collection gaps
- Processing of Library Material

Render an effective and accessible Library & Information Services  
(Daily users increase with 5%)

- Daily opening and administration of libraries
- Provision of study space
- Circulation of information resources
- Provision of reference material
- Provision of Outreach Services

Promote culture of reading and life-long learning  
(Registered members increased with 3%)

- Conduct reading awareness campaigns

Provide Information Communication Technology (ICT)  
(11 Libraries that provide ICT)

- Bridge digital divide
- Basic computer and life skills

Conduct Library Programs  
(1% Increase in children reached with Library Programs)

- Celebrate significant national days (e.g. Human Rights Day)
- Celebrate library related National and International days
- Conduct Holiday programs targeting children and youth

Create conducive and safe environment in Libraries  
(0% Increase in well maintained libraries)

- Identified and cost repair problems in Libraries
- Facilitated interdepartmental and external problems in Libraries
- Monitored the quality of repairs
- Ensured that Libraries were clean

Contributed to poverty alleviation by utilizing library facilities

- Programs like 3 vegetable gardens (Bophelong, Rust-ter-Vaal and Sebokeng).

Established marketing and publicity material programs (80% Increase in use of Marketing and Publicity material developed in Emfuleni LIS)

Developed marketing and publicity items to be used at programs

Continuing Education Programs and Development (CEPD)  
(± 25 Staff members attended computer training)

- In-Service training programs

#### **2.1.2.1.3      SPORTS & RECREATION**

##### **Achievements**

This division is responsible for management and maintenance of 41 Sport & Recreation Facilities, consisting out of:

6 Swimming pool  
3 Community Halls  
4 Recreational Facilities  
4 Major Multi-purpose Centres  
24 Sport Facilities.

##### **Maintenance consisted out of:**

Cutting of grass  
Marking of lines on fields  
Upkeep of buildings including water and electricity supply  
Cleaning  
Inspections and repairs to perimeter fencing.  
Grading of 5 informal soccer fields.

##### **Upgrading of the following facilities:**

Boipatong, George Thabe, Hostel and Evaton Stadiums were top dressed.  
George Thabe Phase 1 completed to the amount of R22 000 000.  
Filtration System and pipes at SE2 Pool was upgraded.

Mpho Siphwe and Bophelong Community Halls were painted.

### **Marketing, Programs and Development**

#### **Woman Sports Festival**

The Festival was staged on 19 August 2006 at Evaton. Target group were women from all over Emfuleni Area. Two thousand people took part in activities like Fun Walk, Aerobics, Netball, Basketball and Tennis.

#### **SA Ladies Boxing Tournament:**

The Tournament was staged on 26 and 27 August 2006 at Saul Tsotetsi Sports Complex. Six Provinces took part namely Limpopo, Gauteng, Kwa-Zulu Natal, Eastern Cape, Mpumalanga and Northern Cape. The number of participants was 120.

#### **Heritage Festival:**

This festival was hosted on 16 September 2006 at Saul Tsotetsi Sports Complex. Different Cultural activities took place, characterized by poetry, dance and music. Two hundred people took part in the festival.

#### **Dibeke Championship:**

The championships took place on 2 and 3 December 2006 at Zone 14, Sebokeng. Seven teams took part in the event and were represented by Kwa-Zulu Natal, Gauteng, North West, Northern Cape and Eastern Cape.

#### **OR Tambo Games:**

The games were hosted by SALGA- Gauteng. The Municipality enlisted 14 sporting codes with 120 participants. The overall performance saw the municipality obtaining position 4 in Gauteng Municipality. The participants were council employees and the department of sports organized and provided support.

### Mayoral Games:

The games were staged on 15 to 31 December 2006 at Evaton Soccer Grounds. Hundred and thirty six soccer teams coming from all over Emfuleni Area took part in this soccer development programme.

### Basketball Memorial Games:

Were staged in April 2007 at Zone 7 Stadium. 15 Teams coming from Tshwane, Soweto, Mangaung, Mafikeng and Emfuleni took part. Target group was the youth.

### Ballroom Championship:

The Municipality hosted the Inaugural National Ballroom Dance Championship and was staged on 6 May 2007 at Saul Tsotetsi Sports Complex. Target group was the youth. 150 Participants coming from Emfuleni, Soweto, Tshwane, North West and Kwa-Zulu Natal took part. These championship caterized professional dances as well.

### Soccer Legend Awards:

The Municipality identified the need to recognize the contribution played by soccer legends in the area and took an initiative to honor them. These awards were staged on 27 May 2007 at Vereeniging Civic Theatre. Fifty soccer legends from Emfuleni were honored for their contribution in soccer development.

## **Arts and Culture**

### In partnership with Provincial Gauteng Government

Puisano Jazz is a continuous jazz programme co-ordinate by the Provincial Department of SRAC. It is aimed at reviving the spirit of jazz in the communities and developing jazz music in taverns as a form of culture. The programme is run in partnership with the Municipalities. In Emfuleni the programme was hosted by Barcelona Club and Strike's Tavern in Sebokeng, Zone 10 and Boipatong respectively.

Cultural Umbimbi is a cultural programme through which different cultural groups are afforded an opportunity to exhibit their cultural dances and other forms of expression such as poetry and music. It is also aimed at developing and restoring heritage in our communities. In Emfuleni the programme was held on the 18 March 2007 at the Sebokeng Hostel wherein different groups from Emfuleni under the umbrella of the Emfuleni Performing Arts Forum participated.

Emfuleni Performing Arts Forum – In its endeavour to invite and develop all forms of art in the area, the department of SRAC together with the creative workers in Emfuleni established the Emfuleni Performing Arts Forum. The Forum's aims are to assist the Municipality to identify and develop talent in the communities and to further be a link between the Municipality and the creative workers in our area. Through the assistance of the Forum we have managed to source participants, performers and exhibitors for our different activities.

Boipatong Jazz Festival - From the 15 – 17 September 2006 together with the Lesedi fm and 17 + 1 we hoisted a three (3) day festival at the Boipatong Stadium. The purpose of the festival was to celebrate the Heritage Month and benefit the victims of the Boipatong massacre. Developing performing groups, exhibitionists and crafters and individuals were given an opportunity to show case their talents. For three days there was an exchange of cultural activities and the area was alive.

The event was a success in that it re-enforced the importance of the preservation of our culture and many developmental groups and poets/performers participated.

#### **2.1.2.2      PUBLIC SAFETY AND SECURITY**

##### **Narrative**

Public Safety is a social services function with the mandate to promote a safe and healthy environment to the community. The Department's core function in terms of its mandate is to render Fire & Rescue Services, Municipal Court Services and Traffic & Security Services.

##### **Achievements**

The Department Public Safety plays a substantial role in the battle against crime and has aligned itself in terms of the National Crime Prevention Strategy.

The Department fits within the four pillars framework of the strategy as follows:

- It has increased the efficiency and effectiveness of the criminal justice system as a deterrent to crime by the establishment of the Division Municipal Courts.
- It focuses on architectural design and town planning matters to limit the opportunity for crime.
- It has implemented programs which involves public education and information and facilitates citizen participation in crime prevention.
- The respective Divisions of the Department participates in numerous provincial and national programs and liaise and co-operate with fellow role players such as Fire Prevention Associations, the Department of Justice, the National Prosecuting Authority, the South African Police Services, the Department of Transport and Gautrans.

It has to be mentioned that the efficiency of the Department is often hamstrunged by constraints such as staff vacancies, the lack of equipment and budget.

#### **2.1.2.2.1      FIRE AND RESCUE SERVICES**

##### **Narrative / Purpose**

The core function of the Division Fire & Rescue Services is to render fire fighting, rescue and fire safety services to ensure the safety of property and human life.

Emfuleni is quite vulnerable concerning the amount of hazardous materials manufactured and/or transported in or through its area of jurisdiction. Many factories and industries manufacture and/or utilize such hazardous materials in their normal conduct of business. Hazardous materials cause a high safety and health risk to the community, the environment and the infrastructure.

It is therefore imperative that the Division is alert to all potential risks in its area of jurisdiction and able to perform its duties efficiently in order to ensure a safe and healthy environment.

## **Achievements**

During 2006/07, the Division Fire & Rescue Services has achieved the following:

- The efficiency of Fire & Rescue Services rely on the effectiveness and reliability of its vehicle fleet and equipment. The state of the Fire & Rescue vehicles became obsolete due to the fact that some of the vehicles were procured 30 years ago.
- During 2006/07, nine Fire & Rescue vehicles were received on a full maintenance lease program. The new vehicles are equipped with the necessary equipment required to render an efficient service.
- A risk analysis has shown the need for a Fire Station to be positioned more at a central location in the Evaton/Sebokeng area. The existing Fire Station in the area is situated in the most southern outskirts in Sebokeng.

Land was identified for the establishment of a new Fire Station. The community of Evaton and Sebokeng will benefit from the new station as response to incidents will be reduced drastically.

- During the year the Division has attended to 3335 incidents which includes different categories of fire fighting, rescues of various nature and special services

The following services were rendered in the respective command areas of Vereeniging, Vanderbijlpark and Sebokeng Fire Stations:

<b>Incidents attended 06/07</b>				
<b>Type of incident</b>	<b>Vereeniging</b>	<b>Vanderbijlpark</b>	<b>Sebokeng</b>	<b>Total</b>
Aircraft	3	0	0	3
Formal	63	62	57	182
Grass Fires	50	110	22	182
Rubbish Fires	133	298	62	493
Hazmat	11	6	1	18
Heavy Motor Fires	6	3	4	13
Informal	39	47	75	161
Motor Fires	30	22	17	69
Restaurants & Ca	1	2	0	3
Special Services	55	61	17	133



Structural Fire	118	102	86	306
Train Fire	4	3	1	8
<b>Rescues</b>				
M.V.A.	531	472	391	1394
Trapped	6	1	0	7
Tree Removals	20	51	1	72
Water Rescues	1	1	2	4
P/Accident	91	80	116	287
<b>TOTAL</b>	<b>1162</b>	<b>1321</b>	<b>852</b>	<b>3335</b>

- Fire safety inspections form an integral part of the Division's functions and are performed as preventative measures in order to maintain low fire risks.

The following inspections and investigations were conducted to ensure compliance with the Fire Brigade Act and the South African National Standards Codes:

<b>Fire Safety</b>	
<b><i>Analysis of fire safety inspections 1<sup>st</sup> July 2006 – 30 June 2007</i></b>	
Filling stations	5
Underground flammable liquid installations & Registrations	25
LP Gas installations	25
Commercial – Fire equipment and housekeeping	1048
Municipal buildings: Fire equipment and Housekeeping	30
Inspection Reports	585
Industries: Fire equipment and housekeeping	39
Places of Public Assembly	16
Flats and Residential	121
Education & Institutions	13
Fixed installations	4
Trade Licenses	15
Government Buildings	6
Hospitals/Clinics	0

Spray Booths	0
Fireworks	42
Transport permits for flammable liquids	200
<b>Total</b>	<b>2174</b>
Scrutiny of Building Plans	184
Pressure and Flow tests	290
Fire investigations	103

- Fire and Rescue Services are specialized functions which require the staff to be trained accordingly. 47 staff members in different courses by external accredited training centers in Gauteng. These specialized training included Fire Fighter 1 and 2, Advanced Fire Fighting, Rope Rescue, Swift Water Rescue, Trench Rescue and Vehicle extrication.

257 members of the community were trained in basic Fire Fighting. The purpose of the training is to capacitate the community to have the knowledge on how to extinguish a fire. First aid training was also provided to 666 community members.

- The Public Information Education Relations (PIER) program was initiated by the Department of Local Government. The purpose of the program is to inform and educate the community in safety aspects such as preventing accidental fires and improving life safety conditions. The program also informs owners/occupants of buildings how to improve existing unsafe conditions. Pamphlets containing PIER information were distributed at several community centers, schools, shopping centers and taxi ranks. 7 pre-schools, 25 primary schools, 5 high schools, the Vaal Show and the “Tekkie Fees” were visited during the year where PIER information was distributed.

#### **2.1.2.2.2      MUNICIPAL COURTS**

##### **Narrative / Purpose**

The purpose for the establishment of the Municipal Courts is to ensure the required expertise and understanding in the prosecution and adjudication of cases relating to Municipal bylaws and relevant legislation, enforced by Municipalities.

The workload experienced by the Magistrate Courts regarding criminal cases has caused that violations in terms of Municipal bylaws and other Municipal legislation including traffic offences are regarded as petty offences. Little attention is given to these cases and it often happens that these cases are merely withdrawn by the Courts.

Council has resolved during May 2003 that Municipal Courts should be established to assist with the adjudication of cases pertaining to contraventions of the Road Traffic Act, Municipal bylaws, health regulations, building regulations, illegal dumping of waste, illegal trading, illegal advertising, noise control and all other Municipal related legislation which have to be enforced.

The Emfuleni Municipal Court was established in conjunction with the Department of Justice and the National Prosecuting Authority. It has to be mentioned that the Municipal Court is a branch Court of the Vanderbijlpark Magistrates Court and the jurisdiction of this Court covers the Magisterial Area of Vanderbijlpark which includes Vanderbijlpark and surrounding plots, Sebokeng, Evaton, Boipatong, Bophelong, Palm Springs and Tshepiso.

The second Municipal Court will be established in Vereeniging. Cognizance should be taken that Vereeniging has its own magisterial area and it is therefore required to establish a court in that area of jurisdiction. Provision was made on the multi-year budget for the establishment of the court.

Although the Sebokeng/Evaton area falls under the jurisdiction of the Vanderbijlpark Magistrates Court, a Municipal Court is planned to increase the efficiency and effectiveness of the Criminal Justice System and as a deterrent to crime in that specific area.

##### **Achievements**

During 2006/07 financial year the Municipal Court had the following progress:

- On 14 February 2007, the first Municipal Court was implemented in Vanderbijlpark. The inauguration of the court was done by the Executive Mayor of Emfuleni and several delegates from the Department of Justice, the National Prosecuting Authority, the South African Police Services and various other role players attended the opening of the court

- The Department of Justice has allocated a full-time Magistrate to the court whilst the National Prosecuting Authority has allocated a full-time Prosecutor.
- Training was provided to the respective summons servers in order to improve the efficient serving of summonses. The Magistrate played a major role in the training provided. An after study has shown that there is a substantial decline in errors when summonses are served.
- In order to sustain effective service delivery, a customer service survey is continuously conducted to measure customer satisfaction on a quarterly basis. The survey for the first quarter, January 2007 – March 2007 has indicated a 98% satisfaction rate. The satisfaction rate for the second quarter, April 2007 to June 2007 was on 99%. Members of the public have not indicated the reasons for dissatisfaction.
- The National Prosecuting Authority has issued directives and time frames pertaining to the finalization of cases. All time frames as indicated in the directives have been implemented.
- In terms of the Criminal Procedures Act, admission of guilt payments needs to be verified by the Magistrate. All admission of guilt payments are verified by the Magistrates of the Municipal Court and the Vereeniging Magistrates Court respectively. In terms of the directives issued by the National Prosecuting Authority all speed camera cases should be finalized within a period of 12 months whilst warrant of arrests should be finalized within 24 months. The database of the Contravention System was “cleaned” in order to comply to the NPA’s directive.
- Technology such as e-mail via 3G, notebook computers and printers taken to roadblocks has assisted to increase the finalization rate of traffic fines and warrants of arrest. A total of 4336 warrants were finalized during the year.
- A total of 2166 admission of guilt lists were submitted to the Magistrates of the Municipal Court and Vereeniging Court for verification.
- Roadblocks are conducted to trace offenders with outstanding warrants of arrest. The Division Municipal Courts has assisted the Division Traffic & Security at 84 roadblocks.

- In order to expedite the adjudication of cases, the efficient processing of documentation needs to be done. The following documentation was processed by the Process Section and Back Office:
  - Section 56 Notices 23 672
  - Section 341 Notices 41 064
  - Section 56's generated 26 050
  - Summonses served 21 623
  - Representations 16 251
- During 2006/07 revenue to the amount of R13 873 778.00 was collected by the Division Municipal Courts in terms of fines paid.

#### **2.1.2.2.3 TRAFFIC AND SECURITY**

##### **Narrative**

The core function of the Division Traffic & Security is to improve road safety and to prevent crime and losses on Council property in order to ensure the safety of human life and property. The Division participates in the respective national and provincial road safety and crime prevention campaigns and co-ordinate actions with other law enforcement agencies such as the South African Police Services, Gauteng Provincial Traffic Services and other role players such as the Department of Transport.

##### **Achievements**

- Training and education forms an integral part of the Division's functions in order to capacitate staff and to educate the community in road safety. 16 Traffic Wardens were enrolled at the Boekenhout Kloof Traffic College in Tshwane to be trained and qualified as Traffic Officers. Road safety awareness programmes were provided at 31 schools to educate learners in road safety.
- Co-ordinated law enforcement and crime prevention operations were conducted during the year. A total of 136 joint roadblocks in conjunction with the SAPS, Gautrans Provincial Traffic Services and the Division Municipal Courts were conducted with the main focus on road worthiness of vehicles and the prevention of crime.
- In order to prevent theft and losses of Council property, 111 alarms were installed in Council buildings.

- Backlogs that were experienced in the capturing of vehicle accident information was successfully solved. Staff were trained and allocated to assist with the capturing of vehicle accident data on computers
- The Division has generated income from the rendering of traffic escorts and the collection of parking meter fees. A total amount of R175 901 in revenue was collected.
- Speeding is a major contributory factor in the severity of vehicle collisions. 4 additional portable speed measuring apparatuses were procured to assist with speed measuring. These apparatuses are utilized in the respective command areas of Vanderbijlpark, Vereeniging and Sebokeng/Evaton to improve service delivery.
- The Security Division has investigated the following cases of theft and other losses:

<b>CASES INVESTIGATED / HANDLED:</b>	<b>PERIOD 2006/07</b>
<b>DESCRIPTION</b>	
House breaking & theft	12
Theft Common / fraud	8
Damage Council property / MV	18
Damage private property / MV	5
Other	3
Accidents	97
Incidents	8
Goods recovered / firearm	19
Arrests	24
Re-investigations	21
Misused Council vehicle / Property	2
Armed robbery	1
<b>TOTAL</b>	<b>218</b>

### **2.1.2.3      HEALTH AND SOCIAL DEVELOPMENT**

#### **2.1.2.3.1      PRIMARY HEALTH CARE**

The department renders comprehensive PHC Services, a provincial health department competency in terms of the National Health Act, 2003 (Act 61 of 2003)

#### **HAST (HIV/AIDS/STI/ AND TB) programs**

TB quarterly evaluation

As a result of increase in TB Extreme drug resistance case load nationally, (XDR- TB) the Gauteng Department of Health has increased its program for the surveillance of TB, quarterly evaluations are conducted within health districts. The aim of the evaluation is to focus on worse performing clinics and assess the type of support needed to improve the TB cure rate.

As a result of this there was an improvement from 54% to 69,6% on the TB cure rate.

#### **TB DOOR – TO – DOOR campaigns**

These campaigns were conducted in 25 wards in collaboration with Non-Government Organizations with the aim of:

- Improving case detections
- Decrease number of TB defaulters
- Improve TB cure rate

The impact of these campaigns cannot be measured directly but it is one of several measures taken to improve the TB cure rate. This is an annual campaign.

#### **HIV/AIDS program**

The Intersectoral forum for ELM is in place. This is a platform where all role players involved in HIV/AIDS programs meet monthly to review progress on HIV/AIDS within the boundaries of the Municipality, share best practices in intervention strategies and to generate monthly reports. The Intersectoral Forum reports to the Sedibeng Aids Council every quarter.

Ward based HIV/AIDS implementation plan was developed and approved by Council.

Amongst the events hosted were:

- World Aids day door – to – door campaign using volunteers from funded NGO'S was held during December 2006. 38 Wards were targeted and 143 326 people from 56 780 households were reached.
- The department has a twinning relation with Eindhoven Municipality in Netherlands. The Netherlands Government through this twinning relationship assists the department to streamline its HIV/AIDS strategies in an integrated and effective manner, using a ward based model.
- Currently Bophelong and Evaton West areas are involved in a pilot project for an HIV/AIDS youth strategy.
- The department assists indigent families with burial of persons who die as a result of HIV/AIDS related illness. Additional funds received from DPLG are utilised for this purpose. For 2006/07, 106 indigent burials were funded and 17 grave sites donated.
- The department assists the Gauteng Department of Health with the monitoring and evaluation of funded NGO'S involved in HIV/AIDS programs to assess that the funds received were used in terms of the approved business plans and the Division of Revenue Act (DORA). This is done on an annual basis.

### **Expanded Program on Immunisation (EPI)**

Two campaigns were conducted in this reporting period to immunise children against polio and measles. The immunisation coverage for the two campaigns was 89% and 92% respectively.

### **Training and Development**

Various courses are conducted to empower nurses with relevant skills in spite of shortage of personnel. 14 Nurses underwent a PHC course (18 months course) and all passed. 56 Nurses registered for a dispensing course and all passed and received Dispensing Certificates.

### **Inter-Governmental Relations**

- Integrated Management Teams (IMT'S) comprising of Local Government and Provincial Middle Managers meet monthly to deliberate on integration of PHC Services, district development, district planning and expenditure review.



- At a senior level the District Director, Deputy Directors, District and Sub-District Executive Managers and Managers meet monthly at District Health Advisory Committee (DHAC) to deliberate on issues alluded to above.
- Senior Managers from Local Government and Province meet with Political Representatives at Section 80 Committee meetings for Health and Social Development at SDM. This forum will soon be replaced by the District Health Council in terms of the Municipal Systems Act.

### **Achievements**

- Clinic maintenance backlog addressed by grant allocation of R1, 2 million and 95% expenditure on operational maintenance budget
- Security improved by installation of armed response alarm system in all health facilities and palisade fencing in 80% including office complex at Houtkop.
- Upgrading of Market Clinic to increase the number of clinics rendering the comprehensive Primary Health care core package.
- Installation of computer network at Houtkop Office complex to improve communication with Vanderbijlpark Main building.
- Training of 14 Nurses on Primary Health Care Course to make access to health services a reality for local communities.
- Training of 56 Nurses on dispensing course to improve access to essential drugs by local communities.
- Ward based HIV/AIDS Implementation plan developed and approved by Council.
- Purchasing of cell phones for identified users to improve communication with facilities.
- Purchase of 5 vehicles has alleviated shortage of vehicles and has a positive impact on service delivery.
- 4 Admin personnel trained on electronic record system for effective record management system.
- A senior Admin Officer appointed to improve administrative capacity and to put systems in place.
- 3 Sessional doctors deployed by Province in 6 health facilities to improve access and quality in service delivery.

### **2.1.2.3.2      ENVIRONMENTAL HEALTH**

This function rendered a comprehensive Municipal Health Service (Environmental Health) to ensure that the community living within the boundaries of Emfuleni live in a healthy and hazard free environment and to identify, monitor, evaluate and control environmental health hazards which can be detrimental to health.

This Section has been without proper roadworthy vehicles for a very long time. This resulted in the deliverance of ineffective and inefficient service. This section is proud to announce the procurement of four new vehicles.

Critical issues such as complaints or outbreaks of diseases did receive immediate attention. Routine inspections at food premises, crèches and other business were sometimes neglected and attention was given to premises where serious problems exist.

The following actions were taken during the 2006/2007 financial year:

<b>Type incident/inspection</b>	<b>Number</b>
Building plans	210
Court cases	0
Health education	111
Training of students	145
Inspections stands / dwellings / premises	1164
Inspections food premises	5180
Inspections fuel burning appliances	62
Dust pollution incidents	22
Noise pollution incidents	111
Water pollution incidents	45
Land pollution incidents	169
General hygiene inspections business premises	217
Funeral undertakers premises	163
Exhumations	3
Industrial Inspections	81
Crèche inspections	2114
Special investigations food poisoning	3

Type incident/inspection	Number
Complaints	614

The following is a broader picture of Environmental Health functions as stipulated in the National Health Act, 2003 (Act 61 of 2003) that were performed:

- Water quality control

Intergovernmental Working Group on Water is well established and is meeting frequently to resolve matters of common interest..

- Food control

Inspections and monitoring of all food premises were done to ensure compliance with legislation and that a safe and wholesome product is provided to the public. Food unsound for human consumption was condemned at different shops and disposed of in such a manner that it would not be harmful or injurious to health.

Condemnation certificates were issued to the relevant business that surrendered the foodstuffs. With the view of cooperative governance an Intergovernmental Working Group on Environmental and Veterinary Public Health was established (A meat forum): Coordination of inspections of milk parlours and milk plants (DACE and Dairy Standards).

- Waste Management

The environment was monitored in respect of illegal dumping and littering. Inspections were done and remedial actions taken.

- Health Surveillance of Premises

Inspections were done at premises to ensure compliance to legislation and Council policies. Investigated complaints and ensured that remedial actions took place.

- Surveillance and Prevention of Communicable Diseases, excluding Immunizations

The Department liaised with the SDM and Provincial Outbreak Response Teams on regular basis.

- Vector Control

Eradication of vectors on Council property by means of poisoning or fumigations took place. Investigated all complaints regarding vector related problems and ensured that remedial actions were taken where necessary.

- Environmental Pollution Control

Investigation of complaints regarding all forms of pollution was dealt with. The monitoring of air quality is done by using the relevant equipment. Compliance and adherence to the relevant legislation was ensured.

- Air Quality Monitoring Station

The three monitoring sites in the following areas, Evaton, Sharpeville and Three Rivers that form part of the monitoring network of the Vaal Airshed program had been commissioned and provide data on pollution levels on a continuous basis.

Two staff members received training in the basic maintenance of the three stations.

Various Intergovernmental Working Groups on Air Pollution were established.

- Disposal of the Dead

Inspections of funeral undertakers and mortuaries were done. Exhumations were supervised to ensure compliance with the necessary legislation. Regular meetings took place with Funeral Undertaker Associations, Forensic Services (SAPS), Home Affairs and other relevant stakeholders regarding certain concerns raised by the associations.

- Chemical Safety

Chemical premises were monitored where chemicals are kept.

- Informal Crèches

Regular inspections were carried out to ensure compliance with the minimum standard set out in the regulations and guidelines. The majority (396) of crèches are situated in the previously disadvantaged areas.

- Special Events

Environmental Health Practitioners are an integrated part of the planning of the events with other relevant stakeholders e.g. SAPS, Councilors, Disaster Management SDM, Traffic etc.

Many hours were spent to educate and train food handlers prior to trading at such events.

### **Further Achievements**

- A service level agreement negotiated and signed between Emfuleni and Sedibeng district for service delivery.
- Installation of 3 ambient air quality monitoring stations with the value of R2 million.

### **Training and Development**

6 Environmental Health practitioners received training on Air Pollution control assisted by Department of Environmental Affairs and tourism.

One official received training on project management.

All drivers of council vehicles trained on fleet management

Training on computer skills is an continuous process.

### **Procurement of goods and services.**

- 3 vehicles were procured through fleet management.
- Procurement of cell phones for all environmental practitioners which improved turn around time in the handling of complaints.

### **Poverty alleviation programs**

- The division assisted 440 informal crèches to qualify for a feeding grant by means of an inspection and issuing of health certificates.
- Burial assistance of 106 Indigents.

- Burial of 65 paupers.
- Donated 17 graves to bury indigents.

### **2.1.2.3.3      SOCIAL DEVELOPMENT**

#### Coordination of Non Governmental Organizations

- Met regularly with all the stakeholders.
- Coordinated all activities to ensure maximum impact.
- Reported regularly to all stakeholders on activities.
- Controlled the expenditure of funding provided to the NGO's and reported findings to the Gauteng Province Department of Social Services.
- Received applications for and recommend funding to the Province.
- Resolved matters that arose during the process.
- Filed regular reports to stakeholders.

#### Provision of welfare services to the community.

- Received referrals from the clinics, community organizations and other stakeholders.
- Done visits, conducted interviews and took the necessary actions.
- Reported on all the cases pending and concluded to stakeholders.

#### Participation in poverty alleviation programs.

- Participated in poverty alleviation programs offered by the Council and Social Services (GP).
- Coordinated Council programs and programs offered by other parties.
- Reports on programs, successes and failures were submitted to all the stakeholders.

### **Achievements**

- Provision made on operational budget for appointment of:

1 x Assistant Manager Social development.  
2 x Social workers.  
The positions were subsequently advertised.

- 2693 children and 430 adults' successfully assisted with applications for birth certificates and ID's. This was an initiative of the Social Development Section.

## **2.1.3 DEVELOPMENT PLANNING**

### **2.1.3.1 LOCAL ECONOMIC DEVELOPMENT**

The aim of LED is to create employment opportunities for local residents, alleviate poverty and redistribute resources and opportunities to the benefit of all local residents.

#### **Achievements**

##### **Poverty Alleviation**

Poverty is endemic in ELM, especially in the townships and in surrounding rural or semi-rural areas. Even the main towns, which have been relatively prosperous over time, are now experiencing unprecedented levels of poverty due to layoffs at ISCOR and other companies. The towns have also borne the brunt of the failure of two pyramid schemes.

ELM has already carried out important initiatives with regard to poverty alleviation. These include:

- The establishment of Homestead food gardens in Evaton, Bophelong, Boitumelo, Lakeside and Eatonside.
- Members of the community who are benefiting from the Projects are as follows:
  - Evaton 226, Bophelong 121, Lakeside 158, Eatonside 30 beneficiaries.
- A light industrial business hive in Bophelong hosting a number of small businesses owned by members of previously disadvantaged communities. (The hive currently provides employment to about 45 people.)





### Hydro-phonic farming

The Hydro-phonic Farming tunnels which are situated in Tshepiso in Sharpeville, Zone 10 and Zone 7 in Sebokeng was one of the first projects funded by the DPLG in the early 2000. During the first few years this projects were sustainable but due to financial constrains, lack of proper management and other related capacity problems including vandalism these projects suffered losses and could not sustain themselves any longer.

The current state of affairs is that none of the original beneficiaries who had been identified for Tshepiso and Zone 7 tunnels are operating in those projects, only three beneficiaries are currently operating at Zone 10 tunnels but conditions at all three projects is indicative of the fact these projects have not been properly maintained. The Department of Social Development has recently expressed interest in the projects and after variable factors were considered it was recommended that Council enters into an agreement with Social Development for effective utilization of these tunnels.

### Mphumelelo Industrial Hive

The Mphumelelo Industrial Hive, situated in Bophelong was one of the first projects funded by the DPLG in the early 2000. During the first few years this projects were sustainable but due to financial constrains, lack of proper management and other related problems including vandalism these projects suffered losses and could not sustain themselves any longer.

The current state of affairs is that only two of the original beneficiaries who had been identified for the Hive are still active in the hive. The Department of Social Development has recently expressed interest in the projects and after variable factors were considered it was resolved by the Council that Council enters into an agreement with Social Development for effective utilization of the hive.

### **New Developments**

- Vaal Mall

The Vaal Mall was opened end of April 2006 and has created 1800 jobs during construction and approximately 800 permanent jobs, both Small, Micro and Medium Enterprises (SMME'S) and new established developers from the previously disadvantaged communities were contracted. The developer of the mall is currently planning the second phase of the mall.

### Palm Springs Mall

The Palm Springs Mall was opened early in 2006 and created more than 1000 jobs during construction and not less than 300 permanent jobs.

- Thabong shopping centre in zone 10

Thabong Shopping Centre is a multi million rand shopping complex developed at Sebokeng Zone 10 by Safari Developments Pty (Ltd) in conjunction with Safari Investments Sebokeng (Pty) Ltd who are the property owners. The 100 million shopping centre is situated along Moshoeshoe Road.

The construction of an 18700 square meters shopping centre commenced in October 2006 and will provide parking for 870 cars including a dedicated taxi rank. The centre will house various food retail, medical, financial institutions, and fashion and furnishes outlets.

The construction of the shopping centre has created employment to over 300 people during the construction peak of which over 70% were local workforce.

The centre shall create over 200 permanent job opportunities in the beginning and will increase as the centre grows.

The centre opened on the 30<sup>th</sup> November 2007.

### **Major Developments**

- Emfuleni Golf Estate

This project is aimed at promoting tourism in the region and also created more than 2000 jobs during construction and more than 500 jobs that are permanent.

- S. E. 8 Residential Development

This project created more than 1000 jobs. SMME'S are involved in it's construction and not less than 20 emerging contractors are involved in the project.

## **Local Economic Development Strategy**

To discharge the developmental local government constitutional mandate, that promotes economic growth and development, the Emfuleni local Municipality and Gauteng Economic Development Agency (GEDA), collaborated to develop a Local Economic Development strategy.

The objectives of the strategy are to promote economic growth and development through foreign and domestic direct investment promotion, the development of small micro medium enterprises, instilling the spirit of entrepreneurship, social and economic inclusion through concerted efforts to bridge the gap between the first and the second economy and reducing the cost of doing business within the municipality.

## **Stakeholder Participation**

During the beginning of May 2007 a number of consultative workshops were held with various stakeholders as part of the process for the development of an LED strategy. Key amongst these workshops included:

- SMME's workshop held on the 13<sup>th</sup> of May 2007
- Joint workshop between Land Use Management and LED department 12<sup>th</sup> of June 2007
- The following workshops are scheduled to take place during the next financial year 2007/08:
  - Ward –based LED analysis workshop to be held on the 22<sup>nd</sup> of August 2007
  - Informal Trading workshop to be held on the 18<sup>th</sup> of July 2007
  - Steel Industry workshop to be held on the 5<sup>th</sup> of September 2007
  - Tourism Industry workshop to be held on the 7<sup>th</sup> of September 2007
  - Lastly a break – away Strategic session to be held on the 30<sup>th</sup> of November 2007

The LED Strategy / Plan is almost nearing its completion and it is hoped that by early January 2008 a workshop will be held with councilors, officials and other relevant stakeholders to present the LED DRAFT PLAN

### **2.1.3.2 TOURISM AND MARKETING**

The main objective of the Tourism and Marketing Department is to manage, develop, promote and market tourism in the Emfuleni area by formulating and implementing tourism development programs according to National and Provincial legislation to ensure sustainable and responsible tourism products to support and develop the local economy

In order to achieve the mentioned objective the Tourism Department must:

Ensure an enabling institutional framework to improve co-operation and communication.

Establish partnerships and linkages to extend the network with relevant partners in the public and private sector to benefit all.

Ensure an informed and skilled community, facilitate awareness and build a culture of service excellence

Manage, disseminate and share relevant information with the industry and the public

Develop innovative tourism products in partnership with public and private sectors to support tourism, increase investment and SMME's.

Improving the physical environment and reduce pollution and litter levels

Growing the tourism industry by marketing the area's attractions and tourism products.

#### Activities

- Participation in Provincial and District Tourism Stakeholders meetings.
- Management of Emfuleni Tourism Association
- Identify additional partners to become members of the Emfuleni Tourism Association
- Identify capacity building needs of local government, emergent and existing product owners and facilitate training
- Facilitate accreditation, registration and quality assurance
- Provide a safe and secure environment for visitors
- Maintain and upgrading of a database of all tourism enterprises
- Maintain a tourism information centre to provide information, facilitate communication and serve as a basis for activity in targeted areas
- Develop print and electronic publications that will provide information to visitors and public
- Develop tourism packages and tours
- Develop and manage a tourism signage policy
- Facilitate SMME's
- Liaise with solid waste department to ensure necessary waste removal
- Liaise with the LUM department to ensure a spatial development framework that incorporates a tourism land use management plan
- Increase bed nights, number of visitors and tourism spend in the area by organizing the Vaal River Carnival

## **Achievements**

- **Communication with Stakeholders**

Monthly meetings with the Emfuleni Tourism Association were held to assist the tourism industry with their specific needs where possible. The tourism department held 78 other communication meetings with different stakeholders such as F1 Powerboat association, Vaal Meander, Wine Route, District Municipality, Gauteng Tourism Authority, South Africa Grading Council, Department of Environmental Affairs and Tourism, Tourism Enterprise Programme, Gauteng Enterprise Propeller, SRAC Department and much more.

- **Development and Maintaining of a Tourism Database**

The tourism department maintained the customized tourism database and assists the GIS developer to provide a section on the GIS System to capture all tourism and signage information.

- **Marketing**

The exhibition at the DURBAN INDABA was a great success and two tourism officials of the Tourism department partake in this exhibition. The Vaal River carnival 2006 was organized between Emfuleni Local Municipality, Sedibeng District Municipality and other Tourism Stakeholders which took place from 29 August 2006 till 01 October 2006. As part of the Tourism Signage Strategy, the T1 Tourism Route was published in the 2006 Vaal Meander (the biggest tourism publication of this area). Regular updating of the Emfuleni Website also took place.

- **Tourism Signage Strategy**

Emfuleni Signage Liaison Committee finalized the Emfuleni Tourism and Advertising Signage Policy and this policy was approved by Council on 22 August 2006. The pilot project to signpost the T1 tourism route has been set in place and negotiations with Sedibeng District Municipality to engage on the second phase of implementation is still in progress.

- Vaal River Carnival 2006

The SRAC Department established The Vaal River Carnival steering committee in May 2006 and 7 Steering Committee meetings were held. During July 2006 the manager of the SRAC Department vacated his position and the Tourism Department had to takeover the responsibility to co-ordinate and organizes the Vaal River Carnival. Due to the time constraint to organize such an event it can be reported that the Vaal River carnival was a great success in terms of tourism spend in the area.

- Administration

All administrative functions are done on a regular basis and are handled according to Council's administrative and financial procedures.

### **2.1.3.3      HOUSING**

#### **Narrative**

The function of the Housing Section is:

- To facilitate the development of housing projects.
- Management of Council-owned housing stock
- Transfer of Council-owned housing stock to qualifying beneficiaries
- Daily updating of Gauteng Waiting List.

#### **Summary of Activities**

- Delivery on housing and services
  - The main objective of the Housing Section is to deliver on housing and services.
  - Eradication of informal settlements
  - Identification of suitable vacant land for the implementation of housing projects to eradicate informal settlements as well as to reduce the housing backlog.

- Management of Council-owned housing stock

- A waiting list is kept of all persons who require, and have applied for, low cost housing.
- Vacant units are allocated according to this Waiting List, and Lease Agreements are entered into between Council and the tenants.
- Works Orders are issued by the Housing Section to the Facilities Management Unit to effect maintenance when required.

- Transfer of Council-owned housing stock

- To effect the transfer of low cost housing rental units in:
  - Leeuhof Extension 1, Sonhof Flats, Vanderbijlpark and Rust-ter-Vaal to qualifying beneficiaries in the low income group.

A report in this regard was submitted to Council on 6 June 2006. The Department of Housing: Gauteng's appointment of *Cebisa Retro Project Consortium* to effect the transfer of the above rental units was accepted and approved.

- Daily updating of Gauteng Provincial Housing Waiting List

- Applications for housing are completed on a daily basis at the various satellite offices, as well as at the Duncanville Housing Office, Vanderbijlpark Head Office and at the Trust Bank Building (Vanderbijlpark). Data is captured on the Gauteng Provincial Waiting List on an ongoing basis.

### **Performance Highlights**

Number of houses completed - 1 525.

#### **2.1.3.4      PROPERTIES**

#### **Narrative / Overview**

The Property Section's vision is the effective facilitation of Development applications and the effective and efficient managing of Council fixed assets.

In order to achieve the above the Property Section must:

- Respond to applicants/developers professionals and governmental departments within an acceptable timeframe and submit applications to the relevant Committees without unreasonable delays.
- Deliver an effective service to the public by providing the necessary information and guidelines in terms of relevant legislation, procedures and policies within an acceptable timeframe and without unreasonable delays.
- Promote economic development by means of effective and responsive service delivery.

### **Situation Analysis**

#### **MORATORIUM ON THE SALE OF LAND**

A moratorium on the sale of Municipal property until December 2007 was requested by the Gauteng Department of Housing during 2006. The moratorium was accepted by Council in December 2006 with certain exceptions like the sale of road reserves and properties required by state organs. A further report was submitted and approved by the Mayoral Committee to exclude transactions which were already entertained prior to the moratorium like tenders which were already advertised but not administratively finalized.

The tenders which were advertised but never finalized and awarded was submitted to the procurement Section during September 2007 for submission to the Bid Adjudication Committee for consideration.

The issue of upliftment of the moratorium will be discussed with the Gauteng Department of Housing during October 2007.

A Development and Disposal Strategy needs to be developed in co-operation with the Local Economic Development Section and Land Use Section in order to move away from the trend of ad hoc sale of land but rather handle the alienation of land in accordance with a proper planned process and in accordance with the Spatial Development Framework.



### **Existing Activities**

A disposal policy has been drafted and is in the process to be submitted to Council for approval. The previous disposal policy was amended in order to be aligned with the Supply Chain Management Policy and the provisions of the Municipal Management Finance Act.

At present land is still being leased to applicants on an ad hoc basis. The registration of servitudes are proceeding in the light there of that it is a necessity for providing of certain basic services like electricity and water by entities like Rand Water Board and Eskom.

Applications for acquiring vacant land (for lease or sale ) represents 80% of the Property Sections activities. The other 20% contains of lease of buildings (approximately 5%, registration of servitudes 5%, legal work 5% and other administrative work (capturing of data 5%.)

Other activities which will be discussed under key challenges are:

- Land Audit
- Development of a data base for agreements and property transactions.

### **Achievements**

- **Finalization of Land Policy:**

Drafting of Policy was finalized and policy was submitted to Committees : Final Approval is awaited

- **Finalization of Policy on Security Access Restrictions:**

Drafting of Policy was finalized and policy was submitted to Committees . Final approval awaited.

- **Incorporation of Land Audit into GIS**

Land Audit information was given to Open Spatial solutions. Report were created for updating of information like lease agreements, servitudes, owner information etc. The incorporation of all land audit information into the GIS and cadastral linkage is in a final stage. Verification process can commence within the next two months.

### **2.1.3.5      LAND USE MANAGEMENT**

#### **Narrative / Overview**

It is the vision of the Land use Management Section to provide an environment for living, working, recreation and education for all residents of Emfuleni Local Municipality based on sound Town Planning principles.

In order to ensure that all development applications from a wide variety of the public and others are processed, this section will endeavour to finalize all such applications within the prescribed legislation and time frames applicable, which will have a direct positive influence on the Local Municipality's income base.

The section consists of the following subsections:

- Land Use Control
- Spatial Planning
- Land Use Inspectorate
- GIS

In order to achieve the above the Land Use Section must:

- Minimize the time frames when dealing with land use applications.
- Provide an effective service in terms of provision of spatial information, policies and development guidelines.
- Effectively dealing with land use transgressions.
- Maintain the land use database in respect of land uses.

#### **Situational Analysis**

- Land Use Applications / Control

Processing and finalization of land use applications; township establishments, rezonings, removal of restrictive title conditions, special consents, subdivisions and consolidations as prescribed in the applicable legislation within reasonable

timeframes. This section currently has to deal with five different town planning schemes within the Emfuleni area. A Key Performance Area that has been identified is a uniform land use management system for Emfuleni area. The District Council is driving the process and appointed consultants. A status quo report was submitted by the consultants. The next step will be the draft Land Use System.

- Spatial Planning

This subsection has not been deployed but is indicated on the proposed organogram. It is crucial that this section gets off the ground because it gives the development directives to the Land Use Management Section specifically and to Council in general.

- Land Use Inspectorate

This subsection is fairly new and is still going through growing pains. Four new vehicles were only allocated to this section at the end of last year. Appointed inspectors need to be capacitated.

- GIS

This is also a new subsection within the Land Use Management Section. Although the GIS is the responsibility of the IT Section, there is a specific need to have a GIS subsection within Land Use Management because most of the maintenance on the GIS will be initiated from Land Use Management.

### **Performance Highlights**

The following were achieved in the past year:

- The approved Emfuleni Spatial Development Framework Plan was reviewed to be taken into the IDP;
- Opening of township registers to enable residents to take ownership of properties.
- New Township residential townships applications in process:

- Nonyana (Re/16 Zeekoefontein573IQ) 153 "Res 1"
- South East 8 x1 1 "Spes" 50/ ha (938 units)
- South East 8 x 2 1 "Spes" 40/ha (1051 units)
- South East 5 452 Res 1, 4 Res 2, 4 Res 3, 2Bus 2
- Riverspray 273 Res 1, 1Res3
- Central East 7 1500 "Res 1"
- Eagle' Nest 814 Erven
- Flora Gardens X 1 62 "Res 1"

- Processing of development applications for rezoning, title removals and amendments, consent uses, subdivisions and consolidations.

#### **2.1.4 OFFICE OF THE MUNICIPAL MANAGER**

##### **2.1.4.1 PROJECT MANAGEMENT UNIT (PMU)**

###### **Narrative**

A Programme Management Unit (PMU) was established to administer and manage the Municipal Infrastructure Grant (MIG) and it commenced operation on 01 July 2004.

From 01 July 2006 it was also the function of this unit to receive all payments on Capital projects from departments within the other clusters. Payments on all projects (MIG and other funded projects) should have also been done by this department, but unfortunately only payments on MIG and a small portion of other capital projects were processed through the PMU.

A decision was taken in the PMU meeting, that a standard format on monthly progress reports be implemented on all capital projects, during the 2007/2008 financial year.

Projects implemented during 2006/2007 financial year (MIG and other)

**MIG FUNDED PROJECTS 2006/2007**

PROJECT NAME	MIG ALLOCATION	EXPENDITURE
<b>Establishment of the PMU</b>		
Establishment of the PMU	2,112,000.00	2,190,736.54
<b>Sub-Total</b>	<b>2,112,000.00</b>	<b>2,190,736.54</b>
<b>Water &amp; Sanitation</b>		
Basic Sanitation Supply to Informal Settlements	2,000,000.00	112,759.28
Improvement to Water Care Works	14,500,000.00	10,926,424.38
Bulk Services to Quaggastroom	25,000,000.00	14,449,375.85
Water to Agricultural Holdings	2,500,000.00	2,215,718.30
Bulk Water to Sonder Water	1,200,000.00	756,879.27
<b>Sub-Total</b>	<b>45,200,000.00</b>	<b>28,461,157.08</b>
<b>Masterplans</b>		
Masterplans	1,000,000.00	877,192.98
<b>Sub-Total</b>	<b>1,000,000.00</b>	<b>877,192.98</b>
<b>Roads &amp; Stormwater</b>		
Installation of Stormwater Pipe Sebokeng Zone 11	490,000.00	247,835.91
Bophelong Ext 11 & 12 Stormwater	3,400,000.00	0.00
Stormwater Canal – Jet Nteo School	350,000.00	91,020.11
Kader Asmal Road in Bophelong	1,670,000.00	1,464,912.28
Amatola Road in Boipatong	1,120,000.00	721,132.57

Dr Nkomo Road in Boipatong	1,240,000.00	173.69
Qamata Road Bophelong	3,000,000.00	2,631,578.95
Resealing of Existing Road	6,000,000.00	5,263,157.89
Construction of Craddock Road	1,053,183.00	1,551,340.35
<b>Sub-Total</b>	<b>19,123,183.00</b>	<b>11,974,400.83</b>
<b>Electricity</b>		
Evaton – Small Farms High Masts	3,447,800.00	2,841,977.23
Evaton West – High Masts	3,447,800.00	2,953,846.68
Sharpsville – High Masts	3,400,000.00	2,069,016.80
<b>Sub-Total</b>	<b>10,295,600.00</b>	<b>7,864,840.71</b>
<b>Waste Management</b>		
Zuurfontein Landfill Site	3,101,896.46	2,720,961.81
Investigate & Develop New General Landfill Site	895,000.00	189,021.01
Obtain Operating Permit & Rehabilitate Phase2 – Waldrift Landfill	2,301,923.08	981,307.59
<b>Sub-Total</b>	<b>6,298,819.54</b>	<b>3,891,290.41</b>
<b>Emergency Services</b>		
Procurement of A Fire Station	300,000.00	0.00
<b>Sub-Total</b>	<b>300,000.00</b>	<b>0.00</b>
<b>Parks</b>		
Upgrading of Dickenson Park	467,000.00	0.00
<b>Sub-Total</b>	<b>467,000.00</b>	<b>0.00</b>

<b>Libraries</b>		
Upgrading of Zone 13 Library	500,000.00	0.00
<b>Sub-Total</b>	<b>500,000.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>85,296,602.54</b>	<b>55,130,836.87</b>

#### **COUNCIL FUNDED PROJECTS 2006/2007**

<b>PROJECT NAME</b>	<b>COUNCIL FUNDS</b>	<b>EXPENDITURE</b>
<b>Water &amp; Sanitation</b>		
Supply & Deliver of Sewage Grinder/Pump Spares	1,039,278.84	945,938.94
Water Conservation Management	1,470,030.00	229,715.61
Water Conservation Management	2,825,973.36	487,175.04
Provision for Branded Bottled Water	411,402.10	243,308.79
Communication Material at Metsi-a-Lekoa	3,050,526.00	1,909,435.13
<b>Sub-Total</b>	<b>8, 797,210.30</b>	<b>3,815,573.51</b>
<b>Roads &amp; Storm Water</b>		
Western External Stormwater System for Bophelong	136,800.00	136,800.00
Culvert Crossing & Stormwater Channel in Bophelong	1,496,144.61	1,410,082.11
Rehab & Reseal of Existing Roads	8,650,000.00	8,649,994.69
<b>Sub-Total</b>	<b>10,282,944.61</b>	<b>10,196,876.80</b>
<b>Electricity</b>		

Upgrade of 11KV network in SW5 & Rural areas	645,863.87	645,863.87
Replacement of 88KV Isolators	1,805,595.63	1,805,595.63
Upgrade of Rural Network	671,197.32	671,197.32
Install Bundle Conductors	985,319.85	985,319.85
Supply & Deliver of substation equipments & cables	2,719,470.09	2,320,129.37
Refurbishment of Unibijl & SE8 Substation	5,596,614.43	685,822.35
Consultants for the refurbishment of Unibijl & SE8 Substation	406,167.89	243,700.73
Low Voltage Bundle Conductor	1,800,000.00	1,416,597.33
Section 78 Assessment of Electrical Function	988,875.00	444,096.12
Upgrade of 11KV network in SW5 & Rural areas	1,563,468.65	1,447,530.49
<b>Sub-Total</b>	<b>17, 182,572.73</b>	<b>10,665,853.06</b>
<b>Fleet Management/Mechanical Workshop</b>		
Fleet Management Intervention Phase 1	1,290,305.58	1,290,305.58
Fleet Management Intervention Phase 2	774,183.26	645,152.68
Supply of Intergraded Electronic Management System	24,990,000.00	10,520,468.77
<b>Sub-Total</b>	<b>27,055,108.84</b>	<b>12,455,927.03</b>
<b>Traffic &amp; Security</b>		
Municipal Court	570,946.61	557,122.71
<b>Sub – Total</b>	<b>570,946.61</b>	<b>557,122.71</b>
<b>Training &amp; Development</b>		
Abet Training Programme	485,432.52	376,914.79



<b>Sub – Total</b>	<b>485,432.52</b>	<b>376,914.79</b>
<b>Waste Management</b>		
Upgrading of mini dumps/transfer at VNG & Roshnee	781,329.78	731,670.0
<b>Sub – Total</b>	<b>781,329.78</b>	<b>731,670.0</b>
<b>Libraries</b>		
Addition /Alterations to Evaton Libraries	2,286,122.52	2,229,763.44
<b>Sub – Total</b>	<b>2,286,122.52</b>	<b>2,229,763.44</b>
<b>SRAC</b>		
Upgrading of Bophelong Sports Complex	292,101.54	172,094.74
<b>Sub – Total</b>	<b>292,101.54</b>	<b>172,094.74</b>
<b>Grand Total</b>	<b>67,733,769.48</b>	<b>41,201,796.08</b>

### **Achievements**

A file audit was conducted at all Programme Management Units in Gauteng whereby Emfuleni was rated the best municipality in terms of their financial systems and procedures. The filing system was also commented on.

The reconciliation system used by Emfuleni's PMU will be implemented as a standard reconciliation to be used amongst all other municipalities in Gauteng.

The amount of R29, 000,000.00 which was part of the 2006/2007 allocation was forfeited in the 2006/2007 financial year, but because of the commitment Emfuleni had in implementing projects; the forfeited amount will then be transferred back to once gazetted.

#### **2.1.4.2      INTEGRATED DEVELOPMENT PLANNING (IDP)**

##### **Introduction**

The development of the Integrated Development Plan (IDP) was conducted in a more formalised way. All legislative requirements had been adhered too. The community was involved throughout the development lifespan of the plan.

##### **Key performance areas**

The IDP Process plan was developed as per legislation and was served to council at the end of August for approval. Development of the document had then after resumed with the analysis phase completed at the end of November and presented to all stakeholders. In December, both the strategies and projects were developed involving all councillors as representatives of their constituencies, all managers, and representatives from the district and from sector departments. The integration phase was then completed in February. The draft IDP was presented to newly elected councillors with the purpose of introducing them into the IDP and getting inputs into the final document. The draft IDP was therefore approved by council by the end of March and tabled to the public for commenting. By the end of May, the final product was therefore approved again by council and submitted to the MEC for Local Government for commenting purposes in June. It is important to note that comments from the MEC had been positive and indicated improvements as compared to the previous IDPs developed by the municipality.

##### **Public-Participation**

Attendance at public consultation meetings was something very much desired for an important document such as the IDP. It is important to note that other mechanisms need to be developed in order to stimulate interest of both NGO's and private sector to take part in the development process. In addition, inputs from youth, women and people with disability have been limited. In the same manner, mechanisms should be established to empower this part of the community. The IDP was kept as an outstanding item during Senior Management meetings.

During the process of the plan, the following meetings were held:

Meeting	Number of meetings		% Attendance
	Scheduled	Held	
IDP Steering Committee	1	2	100%
IDP Representative Forum	1	1	80%
Strategic Session	2	4	100%
Project Task Team	2	2	99%
Council	2	2	100%
Public Consultation	4	4	95%
Private Sector and Sector Departments	1	1	75%
NGO's	1	1	55%

### **Implementation**

Only capital projects funded from the Municipal Infrastructure Grant were implemented. Most of those projects were successfully implemented with 356 temporary employments created across the municipal boundary.

### **General remarks**

There is insufficient understanding of an IDP and its processes amongst the community, councillors, ward committee members, community development workers and staff members. In the next financial year, the IDP office will be conducting training workshops to different segments as mentioned above.

## 2.1.5 MANAGEMENT SUPPORT SERVICES

### 2.1.5.1 CORPORATE SERVICES

#### Narrative

The purpose of the department is primarily to render an efficient and effective support service to Council and all its committees, all departments of Council as well as the community.

- Communication

- Newsletters

Eleven newsletters were circulated monthly with the municipal accounts. The newsletters covered matters relating to policies, by-laws, Council resolutions, development projects and other achievements.

Two internal newsletters were circulated covering staff matters, Council decisions and other matters of interest to staff members.

- Website

Since the appointment of the Website Master during January 2007, Council's website is updated on a daily basis and very few of the sites are still under construction. Council's website has become an effective communication tool.

- Operation Restore Dignity

The Operation Restore Dignity was endorsed by Council at its special sitting on 27 March 2007, for it to be launched in the first week of April 2007, to coincide and dovetail with the "Botle-ke-Botho" Campaign on 24 April 2007.

The focus of the project is on the municipality and community partnerships in Waste Management projects. It is strategic to embark on an aggressive awareness campaign to capacitate the Ward Committees, Environmental Committees and health Committees in the communities to ensure sustainability.

Project Restore Dignity was successfully launched in Evaton on 30 May 2007 with about 400 residents participating, officials and politicians as well as representatives from Gauteng Housing Department.

- Administration of contracts

All agreements that are listed in the Security Register were electronically scanned and captured on the Electronic Management System (Quidity). Missing agreements have been identified and those retrieved have been electronically captured and hard copies entered into the security register index and safely filed.

52 agreements emanating from Council and Mayoral resolutions from 2000 until December 2006 were identified of which 49 were recovered and 3 are still outstanding.

9 expired agreements that are listed in Security Register from 2000 until December 2006 were identified of which 4 have been cancelled and 5 are still outstanding.

31 agreements emanating from Bid Adjudication Committee Meetings from April 2004 to December 2006 were identified of which 7 have either been received or solved and 24 are still outstanding.

Measures are well underway to track/recover outstanding agreements and a pro-active measure will soon be in place whereby officials will have access to peruse all agreements on the Quidity/Administrator Electronic Document Program instead of accessing the hard copies.

- Electronic Document Management Program

Since the implementation of the Electronic Document Management Program, a total of 3 442 documents as reflected below were scanned and captured on the system during July 2006 until June 2007:

<u>2006:</u>		<u>2007:</u>	
June	217	January	192
August	237	February	339
September	223	March	334
October	233	April	363
November	276	May	386
December	183	June	459

During March 2007 about 79 end users were trained to use the Program in order to retrieve assigned documents, to forward assignments, to follow up on assignments and to search for captured documents. Another training session for accommodating more end users will be conducted in the next financial year.

- Synchronisation of Meetings

During January 2007 the Committee Section in consultation with the offices of the Speaker and the Executive Mayor as well as the 10 members of the Mayoral Committee, drew a calendar for Meetings of Council and all its Committees. In addition the Corporate Calendar was drawn, which is systematically updated and issued on a monthly basis.

- Council and Committees Meetings statistics

MEETING	NO OF MEETINGS	NO OF ITEMS CONSIDERED	NO OF ITEMS RESOLVED
COUNCIL	11	127	119
MAYORAL COMMITTEE	28	273	84
LAND TRIBUNAL	24	24	17
BID ADJUDICATION	18	84	82
FINANCE	8	64	10
LED	8	49	16
HOUSING	7	36	3
PUBLIC TRANSPORT	2	4	No authority delegated
ELEC, WATER & SANITATION	7	31	No authority delegated
HEALTH & WELFARE	3	8	No authority delegated
SRAC	3	7	No authority delegated
PUBLIC SAFETY	8	36	No authority delegated
WASTE MANAGEMENT	4	17	No authority delegated
ADMMINISTRATION	7	7	No authority delegated
GENDER	2	-	No authority delegated
AUDIT	2	20	No authority delegated
SENIOR MANAGEMENT	30	206	No authority delegated

#### **2.1.5.2      INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT)**

The ICT function within Emfuleni is outsourced to the Sedibeng District Municipality. The department comprises of 9 fulltime employees seconded from Sedibeng District Municipality to the ELM and 2 interns that renders all ICT services. The following services are rendered by ICT against the current Service Level Agreement (SLA):

##### **Daily operations on the Venus (financial) server:**

- Daily, monthly, annual backups;
- Ensuring all servers are operational;
- Capturing billing meter readings;
- Printing of all consumer accounts (145,000 monthly accounts);
- Processing all daily, monthly and annual operating schedules on the Financial System.

##### **Network Administration:**

- Ensuring access controls are adhered to;
- Granting access to users of systems (Financial System, Novell, Internet, e-mail, GIS);
- Ensuring Firewalls and anti-virus software are updated.

##### **Helpdesk:**

- Logging and control of all ICT related calls logged by users

##### **Technicians:**

- Installation, repair and maintenance of all Computers, printers,
- Installation of network Points , cabling and LAN Equipment
- First line of support / service to WAN (wide area network)



### **Project Management:**

- Planning of expansion on LAN / WAN and Communication network;
- Guidance on Information and Communication Technology needs of the Council; and
- Software support.

### **Managerial and Administration of ICT Section:**

- Development of an operational plan, Operational and Capital budget, IDP document for ICT;
- Risk management (design and implement Disaster Recovery Plans for the (Venus, Novell, GIS).

### **Achievements**

The Wide Area Network (WAN) has been expanded by four new radio links (Rietspruit, Leeuwkuil, Sebokeng Water Care Works and Sebokeng Health have been linked onto the WAN). The radio links to Metsi and the Fire brigade in Vanderbijpark have been upgraded so that these sites may access the ELM computer network and enable VOIP (voice over IP).

The GIS (Geographical Information System) has been expanded to include the following layers: Local Economic Development, Metsi Water layer, Metsi Sewer, Engineering Services, Stormwater, Roads and Project Management. It should be noted that the orthophoto's (geographical photos) used in the GIS, is of the highest quality in South Africa.

A Total of 376 desktop computers, 21 Notebooks and 5 new servers have been rolled out during the period under review and the Novell software used on the network has been upgraded as well.

A total of **5554** calls were logged at the ICT helpdesk. All calls were serviced with immediacy and turn-around time is virtually immediate. During this period a DRP (Disaster Recovery Plan) was developed for the full district wide ICT service and systems such as Venus, GIS and Novell are being tested. A DRP and Business Continuity plan will ensure business continuity should there be a disaster and to safeguard Council assets and information repositories in the event of a disaster so that the core business of council can still continue with minimal interruptions. The implementation of a DRP is a dynamic process and must be evaluated and improved on an ongoing basis.

### **2.1.5.3      LEGAL SERVICES**

The legal report is divided into four categories namely debt collection, litigation, criminal and disciplinary matters. The last category deals with the drafted bylaws.

#### **2.1.5.3.1      DEBT COLLECTION**

Nine law firms were given instructions to conduct debt collection on behalf of the ELM without entering into a legitimate Service Level Agreement with the law firms. Furthermore the municipality did not have any back-up files regarding such instructions. A separate report entitled '**Debt Collection and Law Firms**' has been prepared concerning this matter.

There was no equal distribution of the work and two of the nine firms did not receive any instructions from ELM. Instructions were suspended in July 2005 and the law firms were requested to provide comprehensive progress and information to the ELM. Three legal firms have responded to ELMs request for information, and in the case of one, information is incomplete and cannot be verified.

The information requested is as follows:

- Number of files,
- Account numbers of the debtors,
- Debt amount to be discovered per debtor,
- Work done/How much was collected,
- Legal fees due to them and or already received.

#### **KLS ATTORNEYS (PREVIOUSLY KNOWN AS GYS LOUW)**

KLS received 7 546 matters from ELM. No substantive work was done during the period under review as they issued letters of demand and no further action was taken by them against the defaulters, however the firm has claimed R790 000 for "work done". At the time of the suspension of instructions the matters in their possession were already older than one year and their claim that the suspension derailed their progress is unacceptable. They have submitted a 184 page report and have since instituted legal action against ELM.

## **PSN ATTORNEYS**

PSN has 640 files in their possession. It is not clear if these files include those of Rafique Baba Attorneys or not as these companies merged in 2006. Three separate reports were submitted by PSN with some information still outstanding. PSN is co-operating with ELM but there is a dispute regarding who has the final say over the files.

## **MEISIE MALAN AND HOFMAN**

A detailed report was received from this law firm for 1200 files. Although they collected far below what they were expected to collect, they have provided ELM with an accurate reflection on the status of all files. To date they have collected R1 094 942.09 however their claim for services rendered amounts to R983 198.86 and R700 000.00 for disbursements. Clearly the debt collecting exercise has left us worse off and is in fact costing ELM more than the debt itself.

## **SNYMAN AND SMULLEN**

In 2002/2003 Council took a resolution that attorneys should not execute properties of disadvantaged communities without first seeking direction or advising council. This law firm has 1040 files in its possession and they were given instructions to collect in Sebokeng, Zone 7. Of the 1 040 debtors less than 10 responded positively and made arrangements to pay, the rest were set up for sale in execution. They instituted legal action and KLS defended the matter on behalf of the ELM. A forensic audit was done on their files and an out-of-court settlement was reached. Instead of council paying R3, 5m, including interest and legal costs, ELM settled for R1m with each party liable for its own costs.

### **2.1.5.3.2 LITIGATION / CIVIL MATTERS**

During the period under review, ELM had 25 civil matters to attend to. 13 Matters were finalized; 2 were withdrawn by the applicants and final settlement reached whereby each party had to pay for their legal costs and no further claims would be made against ELM.

ELM has instituted legal action against 5 companies for malpractice, sustained damages incurred by the municipality as a result of the actions of the Defendant and liquidation claims. 2 Other possible claims may lead to action if parties refuse to pay ELM and they are "Slap Chips" for illegally connecting themselves for supply of electricity and Engineering Consultants for damaging ELM's substation which has resulted in sustained damages.

There are 3 matters in progress before the courts of which 2 are awaiting court dates, that is, the matter of Ms. Tladi Kekane and Ms. Greyling who are claiming R1,4m and R1,2m for services rendered and loss of income, respectively. Vesco has served ELM with a letter of demand to evict residents on their property whom they allege were illegally placed by ELM. Negotiations to extend the period to ensure alternative accommodation has been requested and “granted” by Vesco. Mr. A.J Jonker is claiming damages of R3 831.24 sustained by himself as a result of potholes in one of the streets within ELM. The amount claimed is below R10 000.00. If a claim is below R10 000,00 ELM insurance does not cover such claims even where we are found liable.

#### **2.1.5.3.3 CRIMINAL MATTERS**

Most criminal matters emanate from crimes committed against ELM by employees/ex-employees and companies providing services to ELM. Criminal matters include fraud, theft, unauthorized possession of Council's property et cetera. Currently 21 matters have been reported to the police (submitted an A1 form). Of these 21 matters, 5 are pending before the Criminal Courts, 2 Cashiers pleaded guilty and received suspended sentences. 2 Matters have been withdrawn with no explanation, letters were written to the Senior Prosecutors requesting explanations for the withdrawals. In 10 matters the culprits are not known and 1 matter of fraud has been referred to the Special Investigating Unit (SIU).

#### **2.1.5.3.4 DISCIPLINARY MATTERS**

Some disciplinary matters date back to 2005, during the era of 'Project Consolidate', of which 5 are still outstanding to date. For the period January 2007 to June 2007 we registered 25 new matters of which 10 have been completed, 8 are outstanding (not longer than three months) and 7 are current matters.

#### **Long Overdue matters and reasons for the delay.**

- **J.M Lombaard:** Due to the number of suspensions a service provider, Ramaite Fivas, was appointed to investigate and prosecute on the matter. ELM Legal Advisor eventually prosecuted the matter.
- **Ms G.M Engelbrecht:** There were many delays caused by the Accused and her representatives. Towards the end of 2006 she was heavy with child and it was agreed that the matter be postponed until after the birth. The matter was set down for May 2007 and is scheduled for 4<sup>th</sup> and 5<sup>th</sup> of July 2007.
- **Mr. S.N Mokoena:** Mr. Mokoena was under psychiatric treatment and was not fit to sit for the hearings.
- **Du Plessis:** Delays were caused by both the accused and the presiding officer in that the accused changed representatives. The presiding officer was ill and thereafter took long leave.

- **Mr H.P Engelbrecht:** If the accused is not ill and there is a change in his legal representatives, then the matter has to start afresh.
- **Mr H van der Lith:** Not suspended. The Imatu representative took ill, and was eventually transferred to the Pretoria office. He was replaced by Mr. Mofokeng who requested the tapes. He reported that the tapes were not audible enough and the matter had to start afresh.
- **Mr P.J Bouwer:** Not suspended. The prosecutor, Mr John Nkomo, left the services of ELM and the matter had to start afresh with the appointment of a new prosecutor.

#### **2.1.5.3.5 BARGAINING COUNCIL AND LABOUR MATTERS**

Currently there are 21 disputes lodged with the Bargaining Council. 19 Matters are before the Bargaining Council, awaiting hearing dates and 2 are before the Labour Court. 5 Cashiers who were dismissed declared a dispute and referred the matter to the Bargaining Council. Chanza, Rapapadi and Petlane obtained a default judgement against the municipality and an application for rescission was applied for. The Commissioner erred and held that the judgement stands on the grounds that the papers submitted by Emfuleni were incorrect despite the fact that the correct papers were submitted to the Bargaining Council. It is not clear whether the Bargaining Council submitted the ELM's papers to the commissioner or not. ELM has lodged an application for the review of the matter. Chanza and Rapapadi have consented to the matter being referred back to the Bargaining Council for arbitration.

At the Bargaining Council, Mahlobo's matter was dismissed and he has lodged an appeal with the labour court challenging the outcome. All 5 matters are awaiting court dates from both the Labour Court and the Bargaining Council.

#### **2.1.5.3.6 BYLAWS**

17 bylaws have been drafted and discussions are underway with the affected departments for comments and amendments. The drafted bylaws are:

1. Advertising;
2. Street Trading/Public Trading bylaws;
3. Tariff bylaws;
4. Swimming Pool and Spa;
5. Management and Control of Informal Settlements;
6. Child Care Services;
7. Disposal of Contaminated and or Infectious Waste;
8. Prevention of Public Nuisance;

9. Hire and Use of Community, Arts and Culture Facilities;
10. Keeping of Dogs;
11. Keeping of Animals;
12. Preparation of Food at Registered Private Kitchens;
13. Fire Safety;
14. Traffic bylaws;
15. Standing Orders;
16. Ward Committees bylaws
17. Disclosure of Interest (Already approved by Council).

## **2.2            *BACKLOGS IN SERVICE DELIVERY***

### **2.2.1   ENGINEERING SERVICES**

#### **2.2.1.1        ELECTRICITY**

Due to the lack of financial resources over the past number of years a backlog in repair and maintenance as well as refurbishment and network expansion has built up. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure. It is difficult to quantify this backlog as the master plan study to determine the extent thereof has not yet been completed. Requirements for the 2007/08 financial year however indicate a requirement of approximately R60m.

Between Eskom and the Municipality there is 100% coverage of the area as far as the provision of electricity is concerned. There are however some informal settlements where no services are provided as these dwellings are placed on un-proclaimed land. There is still a backlog in the provision of public lighting on some through roads and in some of the previously disadvantaged areas. The extent of this has not yet been determined as no funds were provided to draft a public lighting masterplan.

## **Challenges**

In order to ensure the sustainability of the provision of electricity to all the municipality's customers it essential that

- Sufficient capital is made available for network maintenance, upgrading and expansions.
- Finalise the master plan for the development of the electricity infrastructure
- Meet the demand for electricity by developers.
- The recruitment process is streamlined to ensure that vacant positions are filled without delays.
- The procurement or supply chain processes be fine tuned to ensure that projects can be implements within the year that they were budgeted for.
- That staff be trained to understand their role within the whole supply chain of providing electricity and other services to improve service delivery to and communication with the customers.
- Reduce the number of complaints regarding non functioning street- and high mast lights.
- Finalise the assessment of the electricity function in terms of section 78(2) and (3) of the Municipal Systems act.
- Embark on the final ring fencing of the electricity function.
- Continue meaningful participation in the creation of the Regional Electricity Distributors (RED4).

### **2.2.1.2      WASTE AND CEMETERIES**

The only backlog in the provision of sustainable household collection services is to the informal housing areas of council. The only services being provided currently are the removal of illegal dumps on an average of a 3 to 4 week interval.

Due to the lack of financial resources over the past number of years a backlog in repair and maintenance as well as service delivery in expansion has built up. The backlogs regarding effective street sweeping services in all CBD's will be attended to during the 2007 / 2008 financial year.

## **Challenges**

In order to ensure the sustainability of the provision of waste and cemeteries to all the municipality's residents it essential that

- Sufficient capital is made available for infrastructure upgrading and expansions.

- Finalize the master plan for the development of the Waste and Cemeteries infrastructure
- Meet the demand for waste services by developers.
- The recruitment process is streamlined to ensure that vacant positions are filled without delays.
- The procurement or supply chain processes be fine tuned to ensure that projects can be implemented within the year that they were budgeted for.
- That staff be trained to understand their role within the whole supply chain of providing waste and cemeteries and other services to improve service delivery to and communication with the customers / residents.
- Reduce the number of complaints regarding waste collection and illegal dumps.
- If approved by Council, change over from a bag system of collection to implement a formal 240 litre container service for the entire Emfuleni area for the next 3 financial years.

### **2.2.1.3      WATER AND SANITATION (METSİ-a-LEKOA)**

There are no backlogs in the supply of potable water. The only additional water connections that have been provided were to cope with growth in informal settlements. By providing water connections in new housing development don't eliminate any backlogs in the supply of potable water since the beneficiaries of these houses are relocated from informal settlements where they had access to the minimum service.

The provision of a basic level of sanitation service, i.e. VIP's, is not acceptable to the communities living in informal settlements and it is not practical and sometimes impossible to provide a higher level of sanitation service in these settlements. The sanitation backlogs in the informal settlements can therefore not be eliminated. Provision of new housing developments does, unlike in the case of water service delivery, eliminate backlogs in service delivery in sanitation. Hence 900 of the 10 115 sanitation backlog was eliminated with the Tshepong housing development.

Sewage buckets have been eliminated in 2003 and the municipality is not delivering such service since that date. Any people still using sewage buckets are doing so at their own free will and disposal is most probably done illegally.

A major concern in service delivery is the 63 500 households living in shacks in the backyards of big stands in mainly Evaton. These households make use of unimproved pit latrines and, if allowed by the owner of the stand, obtain water from the owner's house. Since this is on private property the Emfuleni Local Municipality can not provide any kind of service, except for the main service networks available on the boundary of these stands, to these backyard shack dwellers.



## **Challenges**

- **Tariffs**

Metsi-a-Lekoa faces the gruesome reality of having to work with inappropriate tariffs for both water and sanitation. This poses a serious threat to the ability of the water services unit to supply water services which are sustainable and affordable. The none implementation of a tariff rationalization process which was resolve by council to be implemented over a three year period, has led to the cost of services being compromised.

This further creates a financial crisis as the true cost of supplying water services cannot be determined. The council in not addressing the issue of tariffs continue not comply with section 10 of the water services act. This further means that there is potential loss of income as we may be operating at tariffs which are not economical let alone being reflective of the cost of service and sustainable. A process to rectify this process, similar to the one of 2005/2006 financial year has once again been developed with the assistance of DWAF, which will culminate in the development of a tariff policy, structure and revision of our water services by-laws.

- **Meter Reading**

The continued reading of meters only the former Vanderbijlpark and Vereeniging poses a challenge of not recovering the value of actual water that Metsi supplies on a monthly basis. This creates problems when it comes to developing tariffs as was indicated above. The current department responsible for meter reading is Finance and thus need to ensure the correction of this huge income loss as we move into the new financial year. It must further be noted that in terms of the resolution that lead to the formation of the unit, this was one of the many functions which needed to be transferred to Metsi, but it is now common cause that, it never happened and so did other function as well which were supposed to have been transferred.

There need to a process which ensure the implementation of the establishment of Metsi-a-Lekoa, as per the resolution of Council in July 2004. The none or selective implementation of this resolutions doses not only create chaos, but leads to fragmentation and disintegration of the very limited resources.

- **Vacancies**

Only 63% of the Operations Units approved post have been filled. This results in a lack of proper management, supervision and maintenance of the water and sanitation service delivery infrastructure.

- **Cashflow**

Due to “cash flow problems” the availability of funds allocated on the operational budget is a major problem in paying suppliers of material and services required for service delivery.

#### **2.2.1.4      ROADS AND STORMWATER**

##### **Constraints**

- Personnel

In the last decade no employee that went on pension, resigned or died was replaced within the Department, regardless of continuous attempts from management to have new personnel appointed. Subsequently General Workers become Grader Operators etc. Except for the benefit of skills development of General Worker’s migrating upwards; there initial lack of skill and experience had a negative influence on service delivery. Furthermore this migration caused a further reduction in General Worker numbers.

In June 2006 for the first time a substantial amount of General Workers (52) were employed in this Department, relieving some of the pressure. In addition Government introduced the EPWP system that allowed user Departments to employ workers on a temporary cost effective basis.

The Roads and Stormwater Section was operating for this financial year with two vacant positions at Management level. Furthermore one (1) junior management position has been vacant since the establishment of Emfuleni Local Municipality. This means that the Department is almost 50% understaffed on management level. Which is not healthy in any organization? Furthermore as apposed to Electricity, Water and Sanitation Departments, Roads and Stormwater does not have a Planning Department, which further reduces the existing management team’s availability to manage and control projects and maintenance operations due to additional work load. This means in comparison to other Department in the Cluster, Roads and Stormwater management team is currently 62% under staffed. (Numerous request and budget applications have been made to establish a Planning Section for Roads and Stormwater Section without any success).

- Procurement

Although the Procurement Procedures according to MFMA is sound and for good reasons, the lack of timeouts implementation of these procedures by the Supply Chain Management Department from time to time causes service delivery delays.

- Finance

As will be seen in Section 2.2 the budgets approved for this Department, as apposed to the value of backlogs is not sufficient to provide adequate Roads and Stormwater systems through out Emfuleni. Furthermore the periodic failure to pay suppliers on time causes delays in material delivery and subsequently delaying sometimes-critical service delivery operations.

The road and stormwater network condition and level of service is getting worse and the failure of services is eminent and will be lost if funding can't be increased to maintain the existing infrastructure.

#### **2.2.1.5      FLEET MANAGEMENT**

A major challenge is the lack of critical staff within the fleet management unit and the unapproved organogramme. The department cannot function properly without the support it needs from staff appointed in the identified positions required on the proposed organogramme. During the year under review, Mechanical Workshop staff assisted the Fleet Management function which reduced the output of the Mechanical Workshops.

**2.2.2.1      LOCAL ECONOMIC DEVELOPMENT****Constraints**

- Staff
  - Suspensions and labour matters not finalized
  - Lack of sufficient training.
  - The appointment of personnel in vacant positions
  - Finalization of a functional organogram
  - Establishment of new projects
  - Budget
  - Equipment
  - Upgrading of Computer equipment to develop the full potential of an integrated comprehensive electronic tourism database and internet connections to fulfill the needs of visitors to the area and district
  - Lack of vehicles
  - No Capital Budget to implement development projects
  - Lack of manpower e.g. fieldworkers
  - Lack of proper tools or equipment e.g. trucks and big cutting machines.
  - Unavailability of storage to place confiscated illegal advertising boards.
  - Limited space within the CBDs and the large numbers of illegal hawkers who move into the CBDs with the purpose of conducting business.
  - The delay in the finalization of the Street trading By - Laws and its impact on law enforcement.
  - Shortage of manpower to execute daily inspections to ensure compliance to Street trading By- Laws.

#### **2.2.2.2      TOURISM AND MARKETING**

##### **Constraints**

1. To develop the full potential of an integrated comprehensive electronic tourism database Internet connections had to be established with neighbouring councils and GTA to fulfil the needs of visitors to the area and district.
2. Funds must be made available to implement the tourism signage policy.
3. Urgent attention must be given to the supply of personnel, equipment and the capacitating of personnel to achieve to objectives of the Tourism and Marketing department.
4. The development of a comprehensive marketing brochure for the Emfuleni Local Municipality is essential to ensure maximum publicity at exhibitions and different events.
5. Memorabilia and other souvenirs had to be developed.
6. The Tourism Department still had to do lots of communication with all Stakeholders in the area to gain total confidence and co-operation in the industry.

#### **2.2.2.3      HOUSING**

There are 8 872 families in informal settlements that do not have access to the minimum services. This information is based on the survey of informal settlements in 2005.

#### **2.2.2.4      PROPERTIES**

##### **Challenges**

A land audit has been completed during 2006. The audit needs to be incorporated into the GIS system and this process is almost finalized . The data will be available shortly, but the updating process will only start in the following financial year due to funds not available at this stage. The Land Audit verification process is an on-going process which will go on hand in hand with the GIS updating process. The Land Audit information was based on information obtained from the Land Surveyor General and the Deeds Office which information is not always correct.

The QUIDITY company has been involved in providing a software program which suits the needs of the property section. Several meetings were held in order to develop a program for the updating of data (lease agreement data and progress on property transactions)

At present the section is capturing all data electronically on spread sheets but the development of a proper system is a key challenge due thereto that a system will provide linkages between all activities and will simplify the process of immediate access to information.

### **2.2.3    PUBLIC SAFETY AND COMMUNITY DEVELOPMENT**

#### **2.2.3.1      SPORTS, RECREATION, ARTS AND CULTURE**

##### **2.2.3.1.1      PARKS AND OPEN SPACES**

##### **Challenges**

- Staff
  - Proper training programs to capacitate staff in order to render a professional service.
  - Address serious staff shortages.

- Appoint qualified personnel in order to do professional work.
- Budgets
  - Budgets must address staff shortages which lead to a capacity problem in spending the budgets.
- Lack of equipment
  - Procurement of equipment for programs and maintenance

#### **2.2.3.1.2      LIBRARIES**

##### **Challenges**

- Staff
  - Proper training programs to capacitate staff in order to render a professional service.
  - Address serious staff shortages.
  - Appoint qualified Librarians in order to do professional library work. Qualified staff must be appointed in order to do cataloguing and classification of library material in order to make it available for community use.
- Budgets
  - Budget allocations to address staff shortages which lead to a capacity problem in spending the budget. No administrative support to assist with quotations, etc. This can lead to under expenditure.
- Library material and library systems
  - Computerized Library System to be investigated and budgeted for.
- Maintenance
  - Libraries are in a poor state because of neglect in maintenance.

### **Constrains (other)**

Libraries as an unfunded mandate, makes our position very difficult. This issue is currently being addressed by the Department of Arts and Culture (DAC) and the National Council for Library and Information Services (NCLIS).

The assignment of the Library function from Gauteng Provincial Library Services to Local Government is currently also being investigated.

Understaffed Libraries is hampering effective service delivering to the Community.

The shortage of staff has lead to the curtailing of hours at certain service points and therefore hampers service delivery.

There are old and small Libraries, which have inadequate study space and limited stock of information resources that do not have capacity to accommodate the development of new schools in the surrounding areas and community expansions.

With the new housing developments, no provision was made for libraries infrastructure and therefore these communities have to travel long distances to access the nearest library.

### **2.2.3.1.3      SPORTS AND RECREATION**

#### **Challenges**

- Staff
  - Proper training and the appointment of qualified staff.
- Budgets
  - Budgets are not sufficient to address the mandate of the department.
- Maintenance



Sufficient funds and equipment are not available to upgrade facilities and to grade informal soccer fields.

#### **2.2.3.2      PUBLIC SAFETY AND SECURITY**

The Department Public Safety does not experience any backlogs in the Service Delivery performed by its Divisions.

The lack of financial resources which impacts negative on the appointment of staff and the procurement of capital items causes major concern.

##### **Challenges**

###### **Funding**

The sourcing of capital funding is regarded a major challenge. Capital funds are required to assist with the execution of the multi-year operational plans, budget projects, the IDP and other miscellaneous projects to improve service delivery to the community.

###### **Vacancies**

Staff vacancies is impacting negative on the functions performed by the respective Divisions. The efficiency of services rendered in order to secure a safe and healthy environment is jeopardized by the number of vacancies in the Department.

#### **2.2.3.2.1      FIRE AND RESCUE SERVICES**

There are no backlogs in the rendering of Fire & Rescue Services.

##### **Challenges**

###### **Resources**

The efficiency of Fire & Rescue Services relies on the availability of resources such as staff, vehicles and equipment. The Division is currently experiencing a staff shortage of 12 Learner Fire Fighters and 5 Leading Fire Fighters. This causes a situation where limited staff is available to attend to incidents where fire fighting and/or rescues have to be performed.

### Funding

No capital funding was approved for the 2006/07 financial year. This impacts negative on the performance of the Division in so far the procurement of radio communication and the counter funding for the MIG Project are concerned. It also jeopardizes the maintenance which needs to be done to the Vanderbijlpark Fire Station concerning the replacement of the bay doors.

## **2.2.3.2.2      MUNICIPAL COURTS**

### **Challenges**

#### Shortages of Personnel

The shortage of staff is a great concern. Vacancies have to be filled early in the new financial year (2007/2008). 2 Employees are on sick leave. Application was submitted to the Pension Fund to declare both medically unfit. Finance Department has still not appointed cashiers for the respective revenue halls.

#### Delays in Procurement

Cooperation from the Supply Chain office is still a major concern. The sourcing of quotations to finalize matters such as the office renovations is long overdue. Orders were obtained and installation of worktops and air conditioners were completed in June 2007. The dispensers for the Bathrooms in the Court building are not finalized. According to Procurement tenders will be invited in the new financial year to cover all departments.

#### Shortage of Vehicles for the Municipal Courts

The shortage of vehicles hampers Service delivery at the Municipal Courts. 2 Vehicles are needed for the Warrant Unit.

## **2.2.3.2.3      TRAFFIC AND SECURITY**

The Division Traffic & Security does not experience any backlogs in service delivery.

## **Challenges**

### **Funding**

The Division is concerned about the lack of funding which is required to capacitate it. Financial constraints prevent the appointment of staff and the procurement of much needed equipment such as radio communication and firearms. The lack of capital funding impacts negatively on the execution of the multi-year operational plan.

### **Vacancies**

The Division is in dire need for vacancies to be filled. The investigation unit finds it difficult to perform an efficient and effective service with the current limited staff available. Supervisors need to be appointed for the traffic function and vacancies which occurred where staff has resigned or passed away has not been filled yet.

## **2.2.3.3      HEALTH AND SOCIAL DEVELOPMENT**

### **2.2.3.3.1      PRIMARY HEALTH CARE**

#### **Challenges.**

- High professional nurse turns over and delays in the filling of vacancies as a result of uncertainty brought about by Provincialisation of the function
- Telephone cable thefts where 3 clinics are continuously without a telephone system.
- Delay in procurement of goods and services at supply chain.
- Non replacement of cars by insurance section damaged in accidents or stolen
- Delay/Non payment of service providers by credit section which impacts negatively on service delivery.

#### **2.2.3.3.2      ENVIRONMENTAL HEALTH**

##### **Challenges**

- High staff attrition as other municipalities pays a car allowance to environmental health practitioners.
- Delay in filling of vacancies.
- Lack of office space.
- Delay / non procurement of environmental equipment.

#### **2.2.3.3.3      SOCIAL DEVELOPMENT**

##### **Challenges**

- Social development section is grossly under staffed with only one Social Worker.
- Provision is made for appointment of 3 social workers in the current financial year.

### **2.2.4**

### **OFFICE OF THE MUNICIPAL MANAGER**

#### **2.2.4.1      PROJECT MANAGEMENT UNIT**

##### **Challenges**

The PMU experienced problems in the 2006/2007 financial year with late tendering processes, which greatly affected the project implementation plan.

Feasibility studies were not properly conducted on MIG projects which resulted in under/over costing, whereby additional funding had to be requested for certain projects. Funds were withheld which made it difficult to implement certain projects, as the initial allocation was less than what we budgeted for.

## 2.3 RELATING BACKLOGS TO MUNICIPAL SPENDING ON SERVICES

### 2.3.1 Water Backlogs

2.3.1 Water Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Water Backlogs (6Kl per month)</b>						
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)	450	450	450	1050	1050	1050
Backlogs to be eliminated (Percentage - Households identified as backlogs / total Households in Municipality)	0.2%	0.2%	0.2%	0.5%	0.5%	0.5%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	600	600	600	500	500	500
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	Nil	Nil	Nil	Nil	Nil	Nil
Total Spending to Eliminate Backlogs (Rand 000)	600	600	600	500	500	500
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	35052	35052	25758	46998	46998	28397

### 2.3.2 Sanitation Backlogs

2.3.2 Sanitation Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)	10115	Nil	Nil	10115	800	800
Backlogs to be eliminated (Percentage - Households identified as backlogs / total Households in Municipality)	7.3%	Nil	Nil	7.3%	0.6%	0.6%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	75863	Nil	Nil	75863	13195	13195
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	Nil	Nil	Nil	Nil	Nil	Nil
Total Spending to Eliminate Backlogs (Rand 000)	75863	Nil	Nil	75863	13195	13195
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	40622	40622	37433	44915	44915	40670

### Municipal Spending on Service Delivery Infrastructure

Ample funds in the form of grants (MIG, DWAF and Restructuring Grant) and new housing developments (funded by the Department of Housing) are available to spend on the provision of new infrastructure. However funds for the systematic replacement of existing water networks, water meters and other related infrastructure elements and for the systematic cleaning of the sewer networks are not being made available. Although the effect of this on the standard of service delivery is not visible at this stage, the delaying of these systematic replacement and maintenance actions could have catastrophic effects in the near future.

#### **2.3.3 Refuse Removal Backlogs**

<b>2.3.3 Refuse Removal Backlogs</b>	<b>30 June 2006</b>			<b>30 June 2007</b>		
	<b>Required</b>	<b>Budgeted</b>	<b>Required</b>	<b>Budgeted</b>	<b>Required</b>	<b>Budgeted</b>
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)	22,600 households	1,263,007	1,263,007	21,500 households	3,159,917	3,152,800
Backlogs to be eliminated (Percentage - Households identified as backlogs / total Households in Municipality)	14,54%	0	0	14,54%	0	0
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	7,700,000	1,164,200	1,164,200	5,650,000	1,042,485	661,595
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	16,626,700	4,187,455	4,187,455	23,104,657	22,704,657	20,923,111
Total Spending to Eliminate Backlogs (Rand 000)	24,326,700	5,351,655	5,351,655	28,754,657	23,747,142	21,584,706

Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	1,779,200	1,779,200	1,779,200	193,396	193,396	104,953
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#### 2.3.4 Electricity Backlogs

2.3.4 Electricity Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Required	Budgeted	Required	Budgeted
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)  <i>(This figure depends on the definition of "Backlog". The stands indicated here have been identified but building of houses still has to commence)</i>	21 353	0		21 353	0	0
Backlogs to be eliminated (Percentage - Households identified as backlogs / total Households in Municipality)						
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	R102.2m	R2m		R102.2m	0	
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	R73.1m	R7,9m	R2.4m	R59.9m	R9,652m	
Total Spending to Eliminate Backlogs (Rand 000)	R175.3m	R9,9m	R2.4m	R162.1m	R9,652m	



Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)				R10.8m	R10.8m	R8,82m

### 2.3.5 Roads & Storm Water Backlogs

2.3.5 (a) Paved Roads Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Required	Budgeted	Required	Budgeted
Backlogs to be eliminated (No. KM's Not Providing Minimum Standard of Service)	925	45	44.641	932	45	35
Backlogs to be eliminated (Percentage – KM's identified as backlogs / total KM's)	68%	3.3%	3.28%	68.5%	3.3%	2.5%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	R964 million	R11 417 146	R11 417 146	R906 million	R21,303 million	R22,325 million
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	R648 million	R20 230 523	R20 230 523	R661 million	R8 million	R6 375 036
Total Spending to Eliminate Backlogs (Rand 000)	R1 612,7 million	R31 647 669	R31 647 669	R1,554 million	R29,303 million	R28,7 million
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	R648 million	R20 230 523	R20 230 523	R87,1 million	R29,219 million	R16,402 million

<b>2.3.5 (b) Gravel Roads Backlogs</b>	<b>30 June 2006</b>			<b>30 June 2007</b>		
	<b>Required</b>	<b>Budgeted</b>	<b>Required</b>	<b>Budgeted</b>	<b>Required</b>	<b>Budgeted</b>
Backlogs to be eliminated (No. KM's Not Providing Minimum Standard of Service)	919	38	31	960	38	126
Backlogs to be eliminated (Percentage – KM's identified as backlogs / total KM's)	90%	3.7%	3%	89%	3.5%	11.6%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)						
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	R139million	17 320 350	17 320 350	R253 million	Part of OPEX	Part of OPEX
Total Spending to Eliminate Backlogs (Rand 000)	R139million	17 320 350	17 320 350	R253 million	Part of OPEX	Part of OPEX
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	R139million	17 320 350	17 320 350	R253 million	R17 138 807	R8 832 044


It must be noted that the minimum standard was the guideline as retained in the DPLG Basic Level of Service guide. No provision was made for the millennium goal to have all gravel roads tarred by 2012. This will require a capital input R1.891 billion to convert existing gravel roads to tar road standard.

2.3.5 (c) Stormwater Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Required	Budgeted	Required	Budgeted
Backlogs to be eliminated (No. KM's Not Providing Minimum Standard of Service)	340	5	5	335	6	6
Backlogs to be eliminated (Percentage – KM's identified as backlogs / total KM's)	74%	1%	1%	73%	1.3%	1.3%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	R67.5 million	0	0	R74.25 million	1.5 million	1.5 million
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	R46 million	Part of OPEX	Part of OPEX	R51 million	Part of OPEX	Part of OPEX
Total Spending to Eliminate Backlogs (Rand 000)	392million	Part of OPEX	Part of OPEX	R125.25 million	Part of OPEX	Part of OPEX
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	392million	R965 510	R965 510	R42.65 million	R9 278 155	R 9 110 982

2.3.5 (d) Road Traffic Signs Backlogs	30 June 2006			30 June 2007		
	Required	Budgeted	Required	Budgeted	Required	Budgeted
Backlogs to be eliminated (No. KM's Not Providing Minimum Standard of Service)	1351	120	120	1 360	338	338
Backlogs to be eliminated (Percentage – KM's identified as backlogs / total KM's)	100%	8.8%	8.8%	100%	24%	24%
Spending on New infrastructure to Eliminate Backlogs (Rand 000)	0	0	0	0	0	0
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)	0	0	0	0	0	0
Total Spending to Eliminate Backlogs (Rand 000)	15million	2 378 735	2 378 735	6 820 751	0	0
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)	15million	2 378 735	2 378 735	4 632 900	2 445 050	2 414 562

# CHAPTER 3

## HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT



### **3.1 ORGANISATIONAL STRUCTURE RELATING TO EACH FUNCTION**

#### **3.1.1 BACKGROUND**

The Emfuleni Local Municipality subscribes to and is committed to the standards prescribed by the King II report on Corporate governance.

The following Acts determines the legislative framework for the Emfuleni Local Municipality to exist:

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);
- The Municipal Finance Management Act No. 56 of 2003;
- The Municipal Structures Act No. 117 of 1998;
- The Municipal Systems Act No. 32 of 2000;
- The Municipal Property Rates Act No. 6 of 2004

In reporting on the governance matters of Emfuleni it must be noted that the institutional arrangements of the organisation was not optimised and that the first Chief Audit Executive was only appointed on 1<sup>st</sup> June 2007. He operated as head of this unit for one month during this financial year.

In terms of section 166 of the Municipal Finance Management Act, ELM has established a range of oversight committees including the Audit Committee. This committee assists Council in discharging its duties by reviewing and reporting on the administrative governance responsibilities of the municipality. The terms of reference for the Audit committee are available and set out in the terms and conditions, composition and *modus operandi* of the committee. These have been approved by the Council.

The committee met 6 times during the period under review as follows:

<b>AUDIT COMMITTEE MEETINGS</b>		
<b>NUMBER</b>	<b>DATE</b>	<b>TYPE</b>
1	21 September 2006	Special
2	07 December 2006	Special
3	20 July 2006	Ordinary
4	19 October 2006	Ordinary
5	25 January 2007	Ordinary
6	26 April 2007	Ordinary

<b>MEETING ATTENDANCE (IN DATE ORDER)</b>					
<b>MEMBERS</b>	<b>20 July 2006</b>	<b>21 September 2006</b>	<b>19 October 2006</b>	<b>07 December 2006</b>	<b>25 January 2007</b>
Ms. Ikaneng		✍	✍	✍	✍
Mr. Manzi		✍	✍	✍	✍
Mr. Lethale	✍	✍	✍	✍	✍
Ms. Mahlaba	✍	✍	✍	✍	✍
Mr. Mokoena					
Mr. Marais	✍				
Ms. Muller					
Ms. Kanyelwa	✍		✍	✍	

\* Mr. Mokoena was only appointed on 08 May 2007

This committee comprises the following members:

<b>AUDIT COMMITTEE</b>			
<b>MEMBERS</b>			
<b>NUMBER</b>	<b>NAME</b>	<b>CAPACITY</b>	<b>QUALIFICATIONS</b>
1	Ms. Lydia Ikaneng	Chairperson	BA (Law), B Proc
2	Mr. Tamsanqa Manzi	Deputy Chairperson	B Comm
3	Mr. Sejanamane Lethale	Member	B. Comm, Higher Diploma in Taxation
4	Ms. Magonondo Mahlaba	Member	B. Com (Hons), H.E. D, B Ed
5	Mr. Tladi Mokoena	Member	B Comm
6	Mr. Michiel Marais	<b>Former Member (Contract terminated 20 July 2006)</b>	B. Com , CTA, CA (SA)
7	Ms. Esther Muller	<b>Former Member (Contract terminated 31 August 2006)</b>	B. Lur LL.B
8	Ms. Thembela Kanyelwa	<b>Former Member (Contract terminated 31 December 2007)</b>	Junior Primary Teachers Diploma, Advanced Certificate in Labour Law

### **3.1.2 INTRODUCTION**

Emfuleni Local Municipality (ELM) has experienced a 5 year period of institutional change, characterised by the integration of 4 'old regime' administrations. This has led to a process of placing staff, developing its own set of policies as skills and work methods were outdated. Emfuleni is in the process of reinventing itself, creating a new identity a new culture and values systems. Not only was this a major integration of cultures, value systems, work ethics, morale, institutional re-design and people issues, but there were distinctive liabilities inherited from the past: both financial and non-financial.

In an attempt to put in place an effective management structure filled with competent employees, to optimise efficacy and delivery of all aspects within the Emfuleni Local Municipality, we embarked on a Strategic planning process which started during May 2006. The following were observed during the retreat:



- The Human Resources Department seeks to establish systems that will provide a conducive environment for highly developed, trained, skilled and motivated council employees.
- The existence of the department is captured within the following mission statement namely: "The development of a motivated, trained and enthusiastic employee cadre."

### **3.1.3      HUMAN RESOURCES KEY PERFORMANCE AREAS**

#### **OUR VALUES are...**

- Competency and professionalism
- Discipline
- Respect
- Honesty and integrity
- Batho Pele
- Accountability and transparency
- Responsiveness to community needs
- Representivity
- Diversity

#### **Training and development**

- Work Place Skills Plan and Audits
- Training
- Research and course development
- Employment Equity
- Labour Relations
- Occupational Health and Safety
- EAP
- Recruitment, Personnel Management and administration
- Leave Administration
- Work Study

THAT OUR INSTITUTIONAL CHALLENGES as HR are ...

- Outdated delegations of Authority/Separation of Powers and Functions
- Inadequate Audit Capacity/Integrity
- Poor Risk management (Public, Business Risk, Operational Risk, Disaster Management etc)
- No Permanence Management System
- Poor Inter-Governmental Relations Framework (District, Cities Network etc) Presentations – Public speaking skills are vital for the modern executive. They're however a scarce resource within the current dispensation
- Training for Globalisation – Whereas globalisation has made the international mobility of human capital a common place, preparing workers for new worlds is still taboo at Emfuleni
- An unstructured outgoing Communication mechanism with internal and external stake holders
- An unstructured information dissemination mechanism from external sources HR Staff is not continuously trained or equipped to handle emerging HR products
- HR is chronically under staffed or inappropriately staffed to can deliver on its own mandate –
- No Human Resource Development Plan
- No key Human Resources Policies
- No Recruitment, Succession Planning plans or policies
- Poor Pension Administration
- Poor Record Administration
- No Transformation Strategy
- No Remuneration Management Capacity & Skills
- Compromised Salary Structure & Grading System
- Multiple Conditions of Employment
- Incomplete Staff Placing
- Ineffective Labour Relations System (Discipline, Collective Forums etc)
- No Clocking & Attendance Management System
- No Employee Data Management System (Information System)

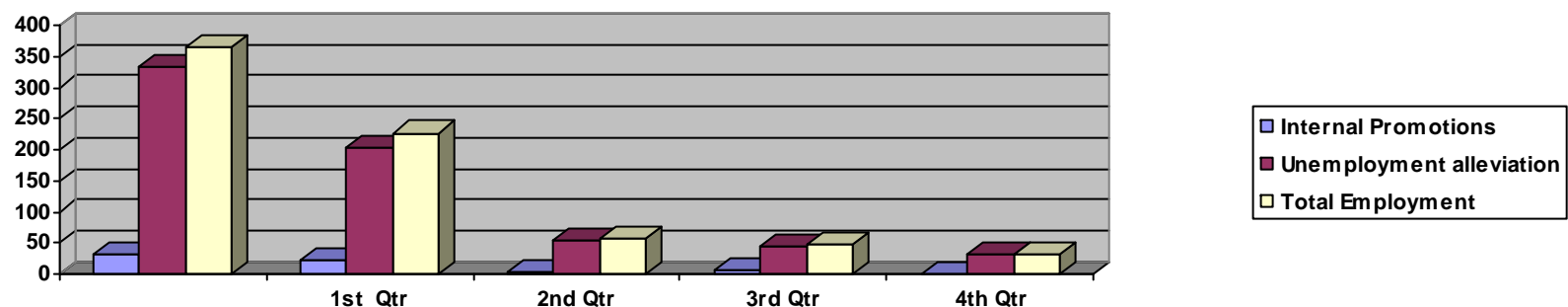
## 3.2 INITIATIVES RELATING TO EMPLOYMENT ISSUES AND SUCESSES

### 3.2.1 EMPLOYMENT TARGETS

We set ourselves a target of appointing 415 employees, the process got derailed by objections from Organised Labour and / or individuals. We nonetheless at the end of the year proudly proclaimed that notwithstanding the hiccups 365 employees got to be appointed in higher positions (promotions) or got new jobs (externals). Percentage achieved is an inspiring 87.95%.

#### **Fighting Unemployment and Alleviating Poverty**

At a Presidential Imbizo held in the Vaal, President Thabo Mbeki, asked both the Public Service and Private institutions to address unemployment facing the communities, and did we respond? We are pleased to report that of the 365 appointed employees 33 (9%) were internal promotions and a whopping 91% percent were from the Unemployed. These figures do not include 500 others who at various times were employed under the EPWP projects.



### 3.3 EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

#### 3.3.1 EMPLOYMENT EQUITY

The Emfuleni Local Municipality in consultation with Organised Labour (two recognised unions: SAMWU and IMATU), have consulted on the content of the Employment Equity report in terms of section 16(a) of the Employment Equity Act (No 55 of 1998). We are proud to announce that for the first time Emfuleni has complied with the deadline and has submitted its Employment Equity report to the Department of Labour. We attach below some of the key results from this report noting that it covers the reporting period 1<sup>st</sup> October 2006 to 30<sup>th</sup> September 2007.

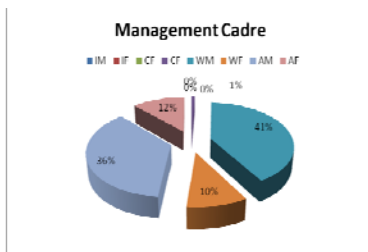
The following figure provides you with an 'As-Is' profile of the current ELM workforce which comprises 2589 employees including 25 interns (students) and 6 Section 57 fixed-term employees:

**The ELM race distribution with elaboration on gender, disability and management positions compared with overall country population statistics.**

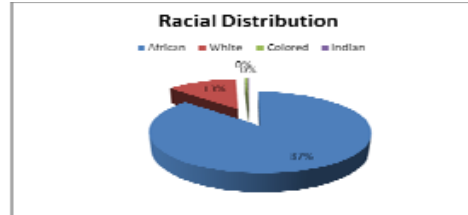
Group	ELM								South Africa	
	Staff Complement		Management (Professionals upward)						Population (000) <sup>1</sup>	%
	Total	%	Total	%	Total Male	%	Total Female	%		
White	326	12.59	67	50,75	54	40.9	13	9.84	4.293 640	9.1
African	2245	86.8	64	48.48	48	36.36	16	12.1	35.416 166	79.5
Colored	11	0.0042	1	0.75	0	0	1	0.75	3.994 505	8.9
Asian	5	0.0019	0	0	0	0	0	0	1.115 467	2.5
Disabled <sup>2</sup>	6	0.0019	5		5		0			
<b>Total</b>	<b>2587</b>		<b>132</b>		<b>102</b>		<b>30</b>		<b>44.819.778</b>	<b>100</b>

<sup>1</sup> Statistics South Africa, Stats in Brief

<sup>2</sup> The disabled form part of the race distribution



From the above the Emfuleni Local Municipality's management cadre is largely male (77.26%) and within that 40.9% White male. In the senior management levels there is a major gender inequity (too few women) (see graph below: Gender distribution). The technical and professional levels/functions, which are based in our service delivery cluster, are largely male. Although Africans in total workforce, the majority between levels 14 – 16 or workforce.



delivery cluster, are largely male. account for 86.8% of the ELM are at lower levels i.e. general workers 1115 make up almost 43% of the ELM

Females comprise 31% of the ELM employees versus the recent Statistics South Africa census of 52.35% females in South Africa. The same is true for male employees at 69% of the workforce versus the national demographic of 47.65%. The Statistics South Africa census 2001 furthermore provides the following current National Demographic statistics which shows that ELM has a long way to go to achieve demographic parity:

- African 79.5%
- White 9.1%
- Coloured 8.9%
- Indian 2.5%

As per the legislative requirements of ensuring there is consultation on equity issues, the Employment Equity and Skills Development Forum were established. Representation to the Forum is both management and organized labour.

In terms of the five years Employment Equity Plan (30 August 2006), the following numerical goals, yearly milestones for each year of the plan were agreed upon namely:

- Representation of black people (Africans, Coloured and Indians) in management positions i.e. job levels 0 – 5 must be at least 70% by June 2006 (A target of at least 14% per year). In this regard, at the end of the financial year 2006/2007 Emfuleni Local Municipality had a representation of black people 49.23% indicating a need to revamp our employment equity plan.
- Representation of woman in management position i.e. job levels 0 – 5 must at least be 30% by June 2006 (A Target of 5% per year of the plan). Although a number of woman were appointed into Senior positions, Emfuleni Local Municipality failed to achieve its intended objectives as women only accounted for 22.65% at the end of the period in review.

- Representation of people with disabilities in management position i.e. job level 0 – 5 must at least be 2% by June 2006 (A target of 0.4% per year of plan). The intended target was completely not reached. It is therefore reported that there is a challenge to improve our strategy in this regard.

Another shortcoming has been that clusters do not have clear Employment Equity and succession plans, which are aimed at enhancing both vertical and horizontal mobility from people in designated groups. Little effort was placed on dealing with gender parity at both the planning and capacity building stages.

### **3.3.2 SKILLS DEVELOPMENT**

One of the critical areas which Emfuleni faced as a problem was skills development. In terms of the Skills Development Act organizations are required to develop a Workplace Skills Plan in every planning year. Emfuleni has been submitting the Workplace Skills Plan's to the LGWSETA which were approved each year, and Council received a grant in excess of a million rand each year.

The intended programmes have however not been fully fulfilled. This is as a result of lack of human resources capacity. Another sad but true reason is that line managers do not develop their departmental training programmes in tandem with their own submissions or requirements.

Because of lack of human resources capacity in this year 2006, Council had to request an extension on the submission of the Skills Plan. Again without line managers coming to the party, Council is faced with the likelihood of non compliance.

The race and gender distribution is tabled below:

The ELM race distribution with elaboration on gender, disability and management positions compared with overall country population statistics. (See the table under Employment Equity Sub-heading 3.3.1)

The ELM race distribution as compared to the Economically Active population of the country, Statistics South Africa: pg 66, 2001.

Group (000)	Economically Active (000)		Not Economically Active (000)		ELM staff numbers	
	Numbers	%	Numbers	%	Numbers	%
African 22 923	12 409	54.1	10 514	45.9	2247	86.8%
White 3023	2 072	68.5	951	31.5	326	12.59
Coloured 2 710	1 775	65.5	935	34.5	11	0.0042
Asian/Indian880	547	62.2	333	37.8	5	0.0019

The current ELM statistics does not reflect the economically active numbers in South Africa, given that these numbers in themselves are not equitable across the race and gender levels and in particular a unique area such as Emfuleni.

### **3.4 HUMAN RESOURCE MANAGEMENT POLICIES AND PRACTICES**

#### **3.4.1 TERMINATIONS IN ELM**

For the period under review we had 130 terminations. The majority of these were experienced within the Occupational level: Skilled Technical and Junior Management. During 2005/6 we experienced 102 terminations largely in the Unskilled and Defined Decision Making occupational level. The terminations for 2006/7 have in fact increased from 4% to 5%.

Of the 2006/7 terminations, 61 were resignations (47%) and 13 dismissals (10%). The 61 resignations translate into a total 2.36% employee turnover. This is not a material number and as such management is of the view that our employee turnover is at a manageable level but dismissals must be reduced. We do however have an ageing employee profile i.e. our current workforce comprises 545 or 20% of employees between the ages 55 - 65. This is cause for concern and will be addressed through the development of an Accelerated Leadership Management Programme (ALMaP) and a concerted effort to encourage students to enter our field of study through our targeted bursary and internship programme.

### **3.4.2        HUMAN CAPITAL DEVELOPMENT**

#### **Training conducted during July 2006 to June 2007.**

During the twelve month period ending 30<sup>th</sup> June 2007, a total of 367 employees from Emfuleni Local Municipality received training in various courses totaling R549 206,60. Some of the training was provided by external accredited service providers while other were in house training presented by qualified officials of Council. 14 Secretaries and personal assistants completed a 3-day course in secretarial duties, office administration, minutes taking and speed writing to an amount of R76 057,38. 20 Officials from Emergency Services completed a course in fire prevention and safety strategies, presented by the SA Institute of Fire Engineers to the amount of R27 480,00. An ABET programme was presented to 158 employees of Council (levels 1 to 4) to an amount of R365 291,44.

Several in-house training sessions were presented on a range of technical and lifeskills courses. 41 Employees attended the fire fighting and first aid courses presented by the Emergency Services. Induction and introduction to the Conditions of Service were presented to 97 employees by the Department of Human Resources. Training was given to 16 officials regarding electricity tariff by the Customer Care Section of the Electricity Department. One of the biggest identified training needs in Emfuleni Local Municipality, namely computer training, will start in July 2007.

### **3.4.3        EMPLOYEE RELATIONS**

#### **Induction of newly appointed employees**

The Employee Relations division conducted induction for 109 newly appointed employees during the period October 2006 to April 2007.



The intention was to harmonize the problem of disparity in working hours which is the culmination of the amalgamation of various local authorities which were collapsed to establish ELM. To this end an agreement was reached with labour to meet with the Municipal Manager quarterly or her delegated official.

### ACTION

A report was presented to the LLF indicating the degree of disparity in respect of working hours. Though the problem is no immense, however it became ideal to address same. The SALGBC gave authorization to ELM to conclude an interim agreement though this is the sole competency of the nation SALGBC.

### CHALLENGES

The finalization of the agreement was tasked to the LLF's Basic Conditions Committee which for several times failed to quadrate in convening meetings. However, parties at the SALGBC have in 2004 concluded mandates which also address working hours for bargaining at National level.

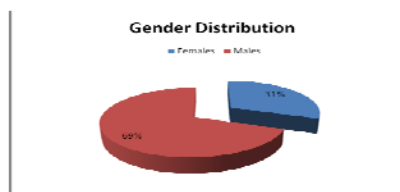
#### **3.4.4 VIGOROUS COMMUNICATION WITH STAFF ON SUMMARIZED PIECES OF LEGISLATION RELATING TO LABOUR RELATIONS**

The purpose is to update the employees on relevant pieces of legislation and also to inform employees of pieces of legislation governing employment relations and to comply with directive issued by the Minister of Labour.

#### **3.4.5 SUCCESSION PLANS**

A major shortcoming is that Clusters do not have clear succession plans, which are aimed at enhancing both vertical and horizontal mobility from people in designated groups. Little effort has in the past been put to deal with gender issues, both at the planning and capacity building aspects. A project will be undertaken over the next financial year to complete a succession and a career pathing strategy, policy and plans.

#### **3.4.6 AFFIRMATION OF WOMEN**



Still much needs to be done to reach gender parity.

#### **3.4.7 LEAVE**

During the period 1/7/06 TO 30/6/07 a total of 26 800 leave days were taken. They are summarised as follows:

	<b>SICK LEAVE</b>	<b>ANNUAL LEAVE</b>
MONDAYS	723	1380
FRIDAYS	607	965

#### **3.4.8 WALK - IN UNANNOUNCED VISITS TO WORK STATIONS**

During August, September and October 2006 various work stations were visited by the Portfolio Councillor responsible for HR, Legal, IT and Corporate, with Senior Management of the HR Department. This exercise is intended to:

- Motivate employees and in particular those that directly serve the Community.
- To directly get to understand the frustrations, concerns and suggestions on how the relationship between the employees and the Municipality as an employer, could be improved.

#### **3.4.9 LOCAL LABOUR FORUM (LLF)**

The LLF within Emfuleni comprises representatives from both SAMWU and IMATU. During the year under review a number of meetings were called where issues of “mutual interest” were discussed. There was a distinct decline in the frequency and number of sittings of the LLF during the second and third quarter of 2006/2007. The decline may be attributed to a conflict that arose between the Recruitment unit and SAMWU around allegations of malpractices in the recruitment of various categories of employees. This led to the appointment of a labour expert Mr. Trevor Bailey to arbitrate the matter. The report findings were served at the Mayoral Committee during June 2007.

#### **3.4.10 DISCIPLINARY TRIBUNALS**

These disciplinary tribunals are held to encourage departments to deal with earnest on disciplinary matters while it has commenced. The tribunal compiled a database of prevalent misconducts which is used to formulate relevant and informed intervention mechanisms.

Continuous training was held for middle to senior management in handling disciplinary matters. A total of 30 managers attended. These training sessions are held to encourage a people centric approach between organised labour and the employer to codetermine conflicts within the Emfuleni local Municipality.

#### **3.4.11 EMPLOYEE ASSISTANCE PROGRAMME**

The challenge has been and still is to establish a fully fledged EAP desk with a clear policy framework and programme of action. The desk clearly lacks a staff complement and is managed by one junior practitioner. Necessary resources are required such as an appropriate budget to conduct the full scope of Employee wellness programmes for the ELM. The proposed organizational structure, if approved, will alleviate the problem.

#### **3.4.12 OCCUPATIONAL HEALTH AND SAFETY**

##### **Training**

In-line with our Occupational Health and Safety standard, an annual five percent (5%) of our staff compliment must be trained on all Occupational Health and Safety related matters. However, it must be noted that, not all Safety related training were conducted as envisaged in this financial year. The deviation to this matter was as a result of a proper training schedule not being outlined. Nevertheless, this is viewed as our challenge to conduct a training analysis and design a proper training programme that intends to address the problem.

The following types of awareness and training were conducted and the actual figures are also pointed out below:

- General Health and Safety – 232 employees
- Compensation for Occupational Injury and Disease – 232
- Safety Videos – 337

It is also important to note that one of the Safety Officer completed the SAMTRAC (Safety Management Training Course) and ITIS later in the year. The ITIS training course enables the Safety Officers to give training to employees on a specific subject in Occupational Health and Safety.

### **OHS Centralization**

The Occupational Health and Safety by its nature and desire is supposed to have been created as a centralised department or division. In 2006/2007 the service was provided in a decentralised manner and the result was an indifferent poor product. There is a need to review the situation in 2007/2008.

### **Protective Clothing**

In an endeavour to comply with the prescriptions of Occupational Health and Safety Act and regulations, the Executive Mayoral Committee resolved in a meeting held on 22 February 2005, that personal protective clothing be issued on annual basis and be worn by all employees who are required to do so when performing their duties. The Council has however experienced a number of industrial action due to the colour of overalls and non-annual issuing of protective equipment as per Council policy.

In consideration of all the efforts undertaken to remedy the situation, it is very unfortunate that some employees are still without personal protective equipment, as a result a high number of injury on duty cases are experienced. With reference to section 8(1) of the Act, employers are obliged to provide and maintain as far as is reasonably practicable, a working environment that is safe and without risk to the health of its employees. However, the Act also compels the employees to participate on issues relating to their health and safety as laid down in section 14 of the Act.

Our biggest challenge in-relation to this matter is not only that employees were not issued with protective clothing. The protective clothing get sold to some members of the public who are not the employees of the Council, some get donated to uncles and brothers working on the farms. This type of conduct is denting the image of the Council because some are involved in criminal activities while wearing the uniforms. However, a report has been prepared and already served to other structures of the Council to remedy this problem.

### **OHS Standard**

In an attempt to comply with the minimum requirements of Occupational Health and Safety Act 85 of 1993, the Council opted for NOSA standard as the guidelines. Unfortunately these standards were not well communicated to the employees and that resulted to a Safety

programme that is not manageable. Having realized this predicament, a need to review our Safety standards has been completed. However, this will also be completed sooner than expected once the centralization of Occupational Health and Safety function is completed. Therefore, it is vital to synchronise Occupational Health and Safety as a matter of urgency to enable completion of ELMs Safety standard unlike having a standards that is owned by individuals. In terms of our Occupational Health and Safety Plan, Occupational Health and Safety audit must be conducted before the end of the first quarter.

In line with directive of the Minister of Labour, a copy of the summarised version of Occupational Health and Safety Act 85 of 1993 has been prominently displayed in the Council main building. However, due to the financial constraints of the Council other buildings of the Council were not covered in this instance. This campaign is envisaged to be completed before the end of the second quarter of the next financial year (2007/8).

### **Fire Equipment**

In the past years, the fire extinguishing equipments were not properly serviced and managed. This function was wrongly placed in the Fire and Emergency department. All fire fighting equipment should be suitably identified, labelled and recorded in a NOSA or similar register. Suitable persons should be delegated to be responsible for inspecting equipment at frequent intervals and recording the results to ensure that equipment has not been tampered with and is in good working condition.

The function of the fire department would be to conduct a fire survey and make recommendations to Council in relation to the type and number of fire fighting equipment needed not to service the equipment. An attempt was made to centralise the budget for the maintenance of fire fighting equipment under Occupational Health and Safety. This attempt was turned down in favour of fire department. The fire department advertised a tender for maintenance of equipment and successfully Sure Blast was awarded the tender for two years.

The dilemma faced by fire department is, they also did not budget for the maintenance of equipment with the understanding that all clusters or department have budgeted for the maintenance of the fire fighting equipment. It is once more imperative to note that the decision or the understanding that department have budgeted for their own fire fighting equipment was totally incorrect as other department are not even aware of that decision. As an interim measure, a request will be extended to those that have budgeted for the maintenance of equipment to release the funds the Safety Officer for co-ordination. In an endeavour to remedy the situation, a proposal will be made to budget for maintenance of equipment under Occupational Health and Safety during the budget review.

### 3.4.13 COMPENSATION CLAIMS AND IOD STATISTICS

Compensation Commissioner provides that the injured employee or under certain circumstances, his or her dependants be entitled to compensation for workplace-related accidents resulting in injuries or death without having to prove fault on the part of the employer. The Council pays an annual fee to Compensation Commissioner after final assessment. However, the Council like any other employer who contributes to Compensation Commissioner for the welfare of its employees is entitled to rebates. In order to qualify for rebates, reduction of injury on duty cases is encouraged. After every three year of circle, Compensation Commissioner conducts a review of claims by employers to verify if employer is entitled for rebate. Another form of rebate is if an employee is booked off for more than three days as a result of work related injury.

The employee is normally entitled to 75% of his/her salary for the period off duty. The Council normally pays an employee full salary for the period booked off and claims the difference to Compensation Commissioner. An amount of R23320.42 has been paid to Council as rebates; this amount does not include the three year circle as alluded. The injury statistics has increased as compared to the previous financial year end and that is a serious challenge. However, this is a result of employee temporary employees which the employment of the said employees is not co-ordinated by Human Resources, this practice influence our injury statistics due to the fact that these employees are not introduced to our safety induction, another contributing factor is indeed an increasing number of our staff compliment. The Human Resources department working on plan of confirming all temporary employees to a permanent status, this will however assist in terms of having a fixed staff compliment and the departmental budget in-relation to procuring and issuing of personal protective equipment. The injury statistics is illustrated as follows:

#### **IOD STATS FROM JULY 2006 TO JUNE 2007**

<b>SECTION</b>	<b>SERIOUS</b>	<b>MINOR</b>	<b>FATAL</b>
<i>Electrical</i>	2	0	0
<i>Parks</i>	4	0	0
<i>Roads</i>	2	0	0
<i>Mechanical Workshop</i>	2	0	0
<i>Fire &amp; Emergency</i>	6	0	0
<i>Cleansing</i>	16	0	0
<i>Health</i>	5	0	0
<i>Traffic</i>	5	0	0
<i>Human Resources</i>	1	0	0
<i>Corporate</i>	1	0	0
<i>Library</i>	1	0	0

<i>Municipal Managers Office</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Ps &amp; development</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Sports &amp; recreation</i>	<i>1</i>	<i>0</i>	<i>0</i>
<b><i>TOTAL</i></b>	<b><i>48</i></b>	<b><i>0</i></b>	<b><i>0</i></b>

01 JULY 2006 - 30 JUNE 2007

TOTAL INJURIES: 48

SERIOUS INJURIES: 48.

FATALITIES: 0

### **3.4.14 BENEFITS ADMINISTRATION COMPENSATION MANAGEMENT**

The numbers of Pension Funds and Medical Aid Schemes have been reduced at SALGA level during 2004/2005 and a window period was allowed in terms of joining a medical aid scheme. The following funds and schemes were retained in 2006/2007.

#### Pension Funds

- Municipal Gratuity Fund
- Municipal Employees Pension Fund
- Municipal Councillors Pension Fund
- SAMWU National Provident Fund
- SALA Pension Fund
- National Fund for Municipal Workers

#### Medical Aid Schemes

- Munimed
- Bonitas
- Hosmed
- SAMWUMED
- Global Health
- LA Health

### **3.5 PERFORMANCE**

In terms of the Municipal Systems Act, a manager appointed in terms of Section 56 must enter into an employment contract as well as the performance contract with the municipality. The Performance Agreement must be signed within a reasonable after date of appointment and thereafter within one month after the beginning of each financial year.

In 2006/2007 ELM established the Performance Management System which is based on the **Balance Scorecard Evaluation Model (CHECK WITH RESILIENCE)**. This was done and targeted at the Section 56 employees and was successfully implemented, that is, all the Managers signed a Performance Contract and they were evaluated.

Within this period under discussion, the Municipality engaged in discussions and consultations with employees from Levels 1 to 5 (Senior and Middle Management) with the aim and intention of rolling the PMS to them as well. The PMS will be operational and applicable to these employees from 2007/2008 financial year.

### **3.6 GOVERNANCE**

The ELM is an Executive Mayoral System and comprises of:

- Municipal Council with 85 Councillors;
- Mayoral Committee comprising the Executive Mayor and 10 Members of the Mayoral Committee;
- Section 79 Committees (4);
- Section 80 Committees (10) and
- Administration.



### 3.7 NUMBER OF STAFF PER FUNCTION

The ELM administration is divided into four clusters namely the SERVICE DELIVERY, DEVELOPMENT & PLANNING, CORPORATE SERVICES, and FINANCE. The Administration is headed by the Office of the Municipal Manager. To assist with the smooth running of the Political Wing there is also the Mayoral Office, Speaker's Office and the Chief Whip's Office.

CLUSTER	FUNCTION	NO. OF EMPLOYEES
<b>MAYOPR'S OFFICE</b>	MANAGER	0001
	SPECIAL PROJECTS	0001
	ADMIN STAFF	0003
	VIP PROTECTION	0006
<b>SPEAKER' OFFICE</b>	MANAGER	0001
	WARD COMMITTEES CO-ORDINATORS	0004
	SPECIAL PROJECTS	0001
	ADMIN STAFF	0003
<b>CHIEF WHIP</b>	MESSAGERS	0002
	PERSONAL ASSISTANT	0001
	ADMIN STAFF	0001
<b>MUNICIPAL MANAGER</b>	MUNICIPAL MANAGER	0001
	MESSAGER	0001
	ADMIN STAFF	0003
	IDP	0007
	INTERNAL AUDIT	0007
<b>SERVICE DELIVERY</b>	PROJECT MANAGEMENT UNIT	0012
	DEPUTY MUNICIPAL MANAGER	0001
	PERSONAL ASSISTANT	0001

	ELECTRICITY	0159
	WASTE MANAGEMENT	0374
	ROADS, STORM WATER & DRAINAGE	0255
	BUILDING CONTROL	0030
	METSI-A-LEKOA	0337
	SRAC	0315
	INFORMATION SERVICES	0091
	PUBLIC SAFETY	0164
	FIRE & RESCUE SERVICES	0089
	HEALTH & SOCIAL SERVICES	0188
	MUNICIPAL COURT	0028
<b>DEVELOPMENT &amp; PLANNING</b>	DEPUTY MUNICIPAL MANAGER	0001
	ADMIN ASSISTANCE	0002
	LAND USE MANAGEMENT	0017
	PROPERTIES ADMINISTRATION	0010
	HOUSING ADMINISTRATION	0034
	LED & TOURISM	0012
<b>CORPORATE SERVICES</b>	DEPUTY MUNICIPAL MANAGER	0001
	PERSONAL ASSISTANT TO DMM	0001
	HUMAN CAPITAL	0026
	LABOUR RELATIONS	0005
	EAP	0001
	OCCUPATIONAL HEALTH & SAFETY	0004
	TRANSFORMATION & TRAINING	0005
	FLEET MANAGEMENT	0039
	FACILITY MANAGEMENT	0021
	COMMUNICATION & MARKETING	0002
	ADMINISTRATION & SUPPORT	0098
	LEGAL SERVICES	0006
	INTERNS (LEGAL & HR)	0023

<b>FINANCE</b>	CHIEF FINCIAL OFFICER	0001
	EXPENDITURE	0022
	BUDGET OFFICE	0010
	INCOME OFFICE	0083
	FINANCIAL SERVICES	0007
	DEBT COLLECTION	0043
	SUPPLY CHAIN MANAGEMENT	0007
	FINANCIAL CONTROL	0015
	RISK MANAGEMENT & GRANTS	0005
<b>TOTAL</b>		2587

### **3.8 TRENDS ON PERSONNEL EXPENDITURE TO BUDGET**

In the financial year 2005/6 Emfuleni Local Municipality was brought under project consolidate due to poor performance. Consultants were appointed to assist in correcting the situation, which resulted in the discovery of, among other factors, corruption and low levels of skills as a cause for the then situation. As part of the corrective measures a significantly high number of high ranking officials were suspended and this in turn led to a high number of vacancies that could not be immediately filled pending the outcome of various disciplinary actions.

This also led to the identification of key vacancies that were needed to ensure optimum performance by Emfuleni. Consideration was also taken that the organogramme that was developed post amalgamation of the defunct municipalities was not functional, it was put together to accommodate employees and no consideration was taken of deliverables in terms of skills level in relation to expected output and remuneration.

During this financial year a functional organogramme was drafted to address the ills identified above and the said organogramme will be presented to the Municipal Council for consideration and approval.

Notwithstanding the above, the Personnel Expenditure as a percentage of the total budget is currently at 28%.

### **3.9 MUNICIPAL ARREARS TO MUNICIPALITY BY STAFF / COUNCILLORS**

In terms of the Municipal Systems Act, Schedule 1 and 2, Councillors and Staff Members may not owe the Municipality for Services such as Rates & Taxes, Electricity and Water, for a period of more than 3 months. Staff members and Councillors in breach of the Code of Conduct must be disciplined in line with the Disciplinary Procedure of the Municipality. During the financial year staff and Councillors in arrears were advised accordingly and they made arrangements to have their arrears paid.

In so far as the Councillors are concerned, the ones who owe large sums of money were unemployed prior to being appointed as Councillors and it was impossible for them to pay the outstanding amounts within 3 months. In so far as the employees are concerned, amounts owed are huge as well and it is practically impossible for them to make the necessary payments within 3 months thus they were extended the period of payment varying between 3 to 24 months. The outstanding amounts are therefore complicated by the duration of arrangements and the interest accumulated.

#### **COUNCILLORS DEBT**

<b>NO. OF ACCOUNTS</b>	<b>DEBT LESS THAN 90 DAYS</b>	<b>DEBT MORE THAN 90 DAYS</b>	<b>TOTAL</b>
10	8,044	132,647	140,691

#### **STAFF DEBT**

<b>NO. OF ACCOUNTS</b>	<b>DEBT LESS THAN 90 DAYS</b>	<b>DEBT MORE THAN 90 DAYS</b>	<b>TOTAL</b>
1164	264,390.18	9,697,175.09	9,961,569.27

**3.10 DISCLOSURE CONCERNING COUNCILLORS AND  
SENIOR OFFICIALS SALARIES, ALLOWANCES  
AND BENEFITS**

**3.10.1  
BENEFITS**

**DISCLOSURE CONCERNING COUNCILLORS AND SENIOR OFFICIALS SALARIES, ALLOWANCES AND**

**DEPARTMENT OF LOCAL GOVERNMENT**

**GOVERNMENT NOTICE NO. R653 DATED 30 JUNE 2006**

**REPEALED IN TOTAL AND SUBSTITUTED BY GOVERNMENT NOTICE NO R1224 DATED 1 DECEMBER 2006**

**RETROSPECTIVE AS FROM 1 JULY 2006**

**RECEIVED 28 MARCH 2007 12H50**

**PAYMENT 30 APRIL 2007**

**COUNCILLORS**

PAY	NAME	SALARY				TRAVEL ALLOWANCE				TELEPHONE ALLOWANCE					OUTSTANDING	
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL	DEBT MRT07	TOTAL
C001	PL Mofokeng	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	218.23	6,582.08
C003	NJA Felix	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
C004(K)	MA Maloizane	9,912.75	9,373.83	538.92	538.92	3,304.25	3,124.58	179.67	179.67	697.00	660.00	37.00	37.00	755.59	.	755.59
C008	ME Tsokolibane	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
C009	JNTsunke	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	6,619.43	180.88
C010	Britz (Kospeng)	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C011	Y Coertze	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,722.58	4,077.73
C014	MP Gqelosha	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	7,260.23	-459.92
C015	RH Groenewald	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,033.50	3,766.81
C016	SJ Hlangane	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	.	6,800.31
C019	DCJ Hoffman	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,722.63	4,077.68
C021	MD Kantso	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	.	6,800.31

C022	ASJ Karsten	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,722.58	4,077.73
C023	ML Khomocazets	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,649.78	4,150.53
C025	MS Kolisang	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C027	A Lambat	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	6,473.25	327.06
C028	MM Leburu	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	14,718.23	-7,917.92
C029	FJ Lehleke	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,312.17	3,388.14
C030	C Mohamed	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,163.68	3,636.63
C038	NP Matsai	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C046	BA Mokale	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C050	Sithole (Moleleki)	9,512.75	9,370.83	538.92	3,598.96	3,304.25	3,124.58	179.57	1,229.17	697.00	660.00	37.00	253.96	5,182.09	-	5,182.09
C051	DS Mollo	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C052	AS Morolong	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,032.07	3,768.24
C058	C Robie	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C060	P Raphuti	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31

PAY	NAME	SALARY			TRAVEL ALLOWANCE					TELEPHONE ALLOWANCE					OUTSTANDING	
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL	DEBT MRTD	TOTAL
C001	PL Motokeng	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	218.23	6,582.08
C065	M Vanter	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	608.40	6,191.91
C066	FV Williams	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,108.71	4,691.60
C067	JN Xaba	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C073	NR Thulo	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C074	NM Jansen v Ren	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	507.00	6,293.31
C077	AF Prinsloo	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,356.13	2,444.18
C081	NPG Nxongo	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C082	MB Phiso	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C083	MG Kgotleng	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,537.41	3,262.90
C086	MT Ramachanel	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C088	MJ Tsotetsi	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C089	MDM Macodisa	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C090	B Mnenbe	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,971.67	2,828.64
C091	GM Zwane	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,818.23	4,982.08
C092	DE Tshabalala	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,654.13	3,146.18
C094	MME Pule	9,512.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,818.23	4,982.08



PAY	NAME	SALARY			TRAVEL ALLOWANCE					TELEPHONE ALLOWANCE					OUTSTANDING	
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL	DEBT MRTD	TOTAL
C095	FMA Mnguni	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C096	M Magwanya	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C097	AB Maduna	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,163.67	3,636.64
C098	AN Mosia	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C099	LS Ngubane	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.43
C100	PJ Louw	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,386.61	3,813.70
C101	MD Ralane	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	5,074.93	1,725.48
C103	CP Ntshle	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C104	NJ Mosi	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C106	LJ Maduna	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C107	TS Motziri	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,163.68	3,636.63
C108	BP Maseko	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,356.15	2,444.16
C109	ME Naledi	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,718.23	5,082.08
C110	SE Pitso	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,109.11	4,691.20
C111	NW Mogobane	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C113	P Zondo	9,512.75	9,370.83	538.92	4,850.28	3,304.25	3,124.58	179.57	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,807.79	4,992.52

PAY	NAME	SALARY				TRAVEL ALLOWANCE				TELEPHONE ALLOWANCE				OUTSTANDING		
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL	DEBT MRT07	TOTAL
C115	DC Oupe	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C116	HD Seemelo	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C117	SH De Weerd	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C118	JJ Tsosiri	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C119	MS Mofokeng	9,912.75	9,373.83	538.92	3,772.44	3,304.25	3,124.58	179.67	1,257.69	697.00	660.00	37.00	259.00	5,289.13	7,260.23	-1,971.10
C120	ML Da Graca Ma	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C121	GM Senekal	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,583.23	5,217.08
C122	CSD Mokoena	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	2,530.93	4,269.38
C123	NS Pooe	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C124	TE Nkhi	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,807.79	4,992.52
C125	AM Motaung	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	1,581.83	5,218.48
C128	GODOLI VM	9,912.75	9,373.83	538.92	3,664.64	3,304.25	3,124.58	179.67	1,221.56	697.00	660.00	37.00	251.60	5,137.80	-	5,137.80
C137	TS Nguba	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	3,328.31	3,472.00
C140	MOSEBI B	9,912.75	9,373.83	538.92	538.92	3,304.25	3,124.58	179.67	179.67	697.00	660.00	37.00	37.00	755.59	-	755.59
C168	JM Mahao	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	4,218.23	2,582.08
C675	W/H Janze v Rens	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	-	6,800.31
C994	DJ Phatjje	9,912.75	9,373.83	538.92	4,850.28	3,304.25	3,124.58	179.67	1,617.03	697.00	660.00	37.00	333.00	6,800.31	7,260.23	-459.92
C996	TT Maleka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		733,543.50	693,663.42	39,880.08	346,883.20	244,514.50	231,218.92	13,295.58	115,642.83	51,578.00	11,220.00	2,738.00	5,209.60	486,341.59		

### MEMBER OF THE MAYORAL COMMITTEE

PAY	NAME	ALLOWANCE				TRAVEL ALLOWANCE				TELEPHONE ALLOWANCE						
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL		
C007	KJM Panske	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	-	16,709.31
C026	MT Kunene	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	6,473.25	10,236.06
C035	DM Malisa	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	6,733.65	3,915.66
C063	TJS Thabane	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	3,954.45	12,754.86
C066	FM Yundiso	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	13,587.56	-
C084	NG Mlongwane	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	-	16,709.31
C085	KS Mbongo	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	10,545.30	6,164.01
C087	KD Palitsela	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	4,218.12	12,491.19
C093	MT Panyasa	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	10,545.30	6,164.01
C126	TS Moepedira	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	13,587.30	3,122.01
C398	MP Muir	24,782.00	23,434.58	1,347.42	12,126.78	8,260.67	7,811.50	449.17	4,042.53	1,117.00	1,057.00	60.00	540.00	16,709.31	13,587.30	3,122.01
		272,602.00	257,780.38	14,821.62	133,394.58	30,867.37	85,326.50	4,940.87	44,467.83	12,287.00	11,627.00	660.00	5,940.00	183,802.41		

SPEAKER																
PAY	NAME	ALLOWANCE				TRAVEL ALLOWANCE				TELEPHONE ALLOWANCE						
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL		
C070	KA Mogotzi	26,434.17	24,396.92	1,437.25	12,395.25	8,811.33	8,332.25	479.08	4,311.72	1,117.00	1,057.00	60.00	540.00	17,786.97	5,290.61	12,496.36
EXECUTIVE MAYOR																
PAY	NAME	ALLOWANCE				TRAVEL ALLOWANCE				TELEPHONE ALLOWANCE						
NUMBER		NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	NEW	OLD	DIFF	X9	TOTAL		
C080	DRT sotetsi	33,042.75	31,246.08	1,796.67	16,170.03	11,014.17	10,415.33	598.84	5,389.56	2,236.00	2,115.00	121.00	1,089.00	22,648.59	16,088.70	6,559.89
		1,065,622.42	1,007,686.80	57,935.62		355,207.37	335,893.00	19,314.37	169,811.94	67,218.00	26,019.00	3,579.00	12,778.60	710,579.56		

### **3.10.2      ADDITIONAL DISCLOSURE**

In terms of the Municipal Systems Act Councillors and Staff Members are obliged to disclose personal financial interest in business and other sources of income other than their salaries to the Municipal Manager and the Municipal Manager must in turn keep a register for Business Disclosures as well as gifts received by Councillors and Employees during the course of their work.

ELM has complied with the requirement and has established a policy, bylaws (to be promulgated) and a register.

In so far as the employees are concerned the programme of disclosure was piloted with the Section 56 Employees, Senior and Middle Management. A total of 370 employees have declared their interest during this financial year.

Out of the 85 Councillors, 77 have declared their interest and when converted into percentages a whopping 91% but the 9% did not declared their interest.

**CHAPTER 4**  
**AUDITED STATEMENTS**  
**AND RELATED**  
**FINANCIAL INFORMATION**

## ***4.1 AUDITED FINANCIAL STATEMENTS***



**EMFULENI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2007**



**EMFULENI LOCAL MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 June 2007**

I am responsible for the preparation of these financial statements, which are set out on pages 3-40, in terms of Section 126 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in Note 17 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act, 1998 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

\_\_\_\_\_  
**DR MANANA BAKANE-TUOANE**  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**DATE**



**EMFULENI LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**  
**Index**

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# EMFULENI LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

	Notes	2007 R	2006 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		1,213,848,036	1,054,991,893
Capitalisation reserve		16,531,254	-
Government Grant reserve		432,166,701	182,477,169
Self-Insurance reserve		-	1,512,079
Revaluation reserve		483,813,446	679,801,601
Accumulated surplus		281,336,635	191,201,044
<b>Non-current liabilities</b>		128,330,691	139,087,433
Long-term liabilities	1	128,330,691	139,087,433
<b>Current liabilities</b>		444,014,427	294,931,761
Consumer deposits	2	24,281,164	22,559,718
Creditors	3	260,858,458	200,162,324
Unspent conditional grants and receipts	4	102,126,695	13,092,508
Retention creditors		6,433,136	4,355,054
Outstanding Cheques		40,357,404	44,640,716
Current portion of long-term liabilities	1	9,957,571	10,121,440
<b>Total net assets and liabilities</b>		1,786,193,155	1,489,011,087

## ASSETS

### Non-current assets

1,283,291,213

1,129,726,731

Property, plant and equipment

6

1,245,512,815

1,100,202,993

Investments

7

37,778,398

29,523,738

### Current assets

502,901,942

359,284,356

Value added tax

5

26,499,834

17,989,934

Inventory

8

12,423,816

11,168,254

Consumer debtors

9

173,078,810

145,004,803

Other debtors

10

30,286,482

44,468,063

Call investment deposits

11

240,970,223

98,101,188

Bank Balances

11

19,602,023

42,511,359

Cash advances/deposits

11

40,753

40,755

### Total assets

1,786,193,155

1,489,011,087

## EMFULENI LOCAL MUNICIPALITY

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

Budget				Actual	
2007	2006		Notes	2007	2006
R	R			R	R
REVENUE					
218,558,549	197,000,000	Property rates	12	229,197,251	199,452,221
909,110,339	923,744,455	Services charges	13	1,010,524,003	846,284,164
4,511,123	4,507,883	Rental of facilities and equipment		7,131,541	6,240,548
2,400,000	4,277,000	Interest earned - external investments		19,887,817	14,102,824
97,754,723	105,146,245	Interest earned - outstanding debtors		131,268,337	98,880,264
-	-	Dividends received		3,854	33,275
9,521,749	7,520,709	Fines		11,942,588	18,304,706
5,200	-	Licenses and permits		2,822	13,193
314,372,380	202,681,350	Government grants and subsidies	14	284,768,380	240,330,217
36,966,383	48,026,054	Other income	15	32,206,799	34,287,238
3,000	48	Gains on disposal of property, plant and equipment		3,973,301	2,563,408
1,593,203,446	1,492,903,744	Total revenue		1,730,906,693	1,460,492,058

## EXPENDITURE

381,955,880	364,724,565	Employee related costs	16	349,569,993	299,263,382
16,003,157	13,571,541	Remuneration of councillors	17	19,648,043	12,751,860
131,620,500	311,359,793	Provision for bad debts		262,791,919	362,718,167
-	-	Provision for leave and bonus		29,281,737	12,443,196
55,183,551	10,950,429	Depreciation		59,235,239	45,339,546
130,454,418	55,197,026	Repairs and maintenance		71,816,399	41,425,655
16,628,182	25,475,438	Interest paid	18	20,690,885	26,305,475
576,798,532	532,484,150	Bulk purchases	19	592,068,087	530,492,381
35,109,534	36,065,211	Contracted services		36,577,050	29,949,058
650,000	5,390,976	Grants and subsidies paid		2,910,053	4,152,135
123,918,412	187,109,153	General expenses	20	229,286,725	71,998,744
<b>1,468,322,166</b>	<b>1,542,328,282</b>	<b>Total expenditure</b>		<b>1,673,876,131</b>	<b>1,436,839,600</b>
<b>124,881,280</b>	<b>(49,424,538)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>57,030,563</b>	<b>23,652,458</b>

Refer to Appendix E(1) for explanation of variances

# EMFULENI LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Self- Insurance Reserve R	Revaluation Reserve R	Accumulated Surplus / (Deficit) R	Total R
<b>2006</b>							
<b>Balance at 1 July 2005</b>	784,511		132,443,619	2,350,975	696,968,576	205,735,361	<b>1,038,283,042</b>
Correction of error (Note 21)						3,150,299	3,150,299
<b>Restated balance</b>	<b>784,511</b>	<b>-</b>	<b>132,443,619</b>	<b>2,350,975</b>	<b>696,968,576</b>	<b>208,885,660</b>	<b>1,041,433,341</b>
Surplus for the year						39,890,448	39,890,448
Transfer to GRR/GGR	8,605,527					(8,605,527)	-
Property, plant and equipment purchased	(9,390,038)					9,390,038	-
Capital grants used to purchase PPE			57,336,366			(57,336,366)	-
Insurance claims processed				(838,896)			(838,896)
Offset depreciation			(7,302,816)		(17,166,975)	24,469,791	-
<b>Balance at 30 June 2006</b>	<b>-</b>	<b>-</b>	<b>182,477,169</b>	<b>1,512,079</b>	<b>679,801,601</b>	<b>216,694,044</b>	<b>1,080,484,893</b>
<b>2007</b>							
Correction of Error (Note 21)						(25,493,000)	(25,493,000)
<b>Restated balance</b>	<b>-</b>	<b>-</b>	<b>182,477,169</b>	<b>1,512,079</b>	<b>679,801,601</b>	<b>191,201,044</b>	<b>1,054,991,893</b>
Surplus for the year						57,030,563	57,030,563
Correction of opening reserves		18,726,212	103,954,589		(169,136,211)	46,455,410	0
Assets donated	-		101,825,580				101,825,580
Capital grants used to purchase PPE	-		25,346,734			(25,346,734)	-
Insurance claims processed	-			(1,512,079)		1,512,079	-
Offset depreciation	-	(2,194,958)	(17,837,238)		(26,851,944)	46,884,140	-
Transfer to GGR			36,399,867			(36,399,867)	-
<b>Balance at 30 June 2007</b>	<b>-</b>	<b>16,531,254</b>	<b>432,166,701</b>	<b>-</b>	<b>483,813,446</b>	<b>281,336,635</b>	<b>1,213,848,036</b>

## EMFULENI LOCAL MUNICIPALITY

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

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	Notes	2007 R	2006 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from rate payers, government and other		1,610,852,330	1,121,785,478
Cash paid to suppliers and employees		<u>(1,337,370,743)</u>	<u>(1,094,530,548)</u>
Cash generated from/(utilised) operations	22	273,481,587	27,254,930
Dividends received		3,854	33,275
Interest received		15,606,027	7,785,717
Interest paid		<u>(20,690,885)</u>	<u>(23,401,567)</u>
<b>Net cash from operating activities</b>		268,400,583	11,672,355

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(126,987,355)	(97,053,398)
Proceeds on disposal of property, plant and equipment	3,973,301	2,563,409
Increase in call investment deposits	-	29,566,894
Increase in non-current investments	(3,972,870)	(5,004,712)
<b>Net cash from investing activities</b>	<b>(126,986,923)</b>	<b>(69,927,807)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Annuity loans repaid	(4,274,177)	14,532,069
Lease liabilities repaid	(17,179,783)	26,428,664
<b>Net cash from financing activities</b>	<b>(21,453,960)</b>	<b>40,960,733</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>119,959,699</b>	<b>(17,294,719)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>140,653,300</b>	<b>(14,523,149)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>260,612,999</b>	<b>(2,129,357)</b>
	<b>0</b>	<b>12,393,792</b>

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## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

---

#### **1. BASIS OF PRESENTATION**

The annual financial statements have been prepared on the historic cost basis, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Standards of Generally Accepted Municipal Accounting Practice (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarized as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	Effects of changes in foreign exchange rates
GAMAP 9	Revenue
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interests in joint ventures
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provisions, contingent liabilities and contingent assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practice (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

Consistency in the presentation of the annual financial statements is ensured where the municipality received a qualification in the 2005/06 financial year for not complying with a standard or aspect within a standard and the standard or aspect within the standard has now been exempt by amending the 2005/06 accounting policy to reflect the fact that it did not comply with the standard or aspect within the standard.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted are disclosed below.

## **2. PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand. (ZAR)

## **3. GOING CONCERN ASSUMPTION**

These financial statements have been prepared on a going concern basis.

#### **4. RESERVES**

##### **4.2 *Capital replacement reserve (CRR)***

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

---

#### **4.2    *Capitalisation reserve***

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **4.3    *Government grant reserve***

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government grants reserve equal to the Government grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government grant reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed off, the balance in the Government grant reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **4.4    *Self-Insurance Reserve***

The Municipality has a Self-Insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short term cash investments.

#### **4.5    *Revaluation reserve***

The surplus arising from the revaluation of land, buildings and electrical infrastructure is credited to a Non-distributable reserve.

The revaluation reserve is realized as revalued assets are depreciated, through a transfer from the revaluation reserve to the Statement of Financial Performance.

On disposal, the net Revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

---

#### **5. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, except land, buildings and electrical infrastructure which are revalued as indicated in note 6. Heritage assets, which are culturally significant resources and which are shown at cost are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

***Infrastructure******Years***

Roads and paving

20

Pedestrian malls

30

Electricity

50 - 60

Water

15 - 20

Sewerage

15 - 20

Housing

30

***Community******Community***

Buildings

30

Recreational facilities

20 - 30

Security

5

***Other******Other***

Buildings

30

Specialist vehicles

10



Other vehicles	5
Office equipment	3 - 7
Furniture and fittings	7 - 10
Watercraft	15
Bins and containers	5
Specialized plant and equipment	10 - 15
Other items of plant and equipment	2 - 5
Landfill sites	15

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. The useful lives and residual values of assets classified as property, plant and equipment were not reviewed during the year under review.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

---

#### **5. PROPERTY, PLANT AND EQUIPMENT**

No property was classified and disclosed as investment property. Land and buildings, in some instances are recognised as items of property, plant and equipment.

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash-generating assets as well as cash-generating assets due to the exemption granted in Gazette 30013 dated 30 June 2007.

The municipality is exempt from IAS 40 (AC 135). The municipality has not reclassified any property, plant and equipment . as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognizes its property, plant and equipment as investment property when it is certain that it meets the definition of investment property.

#### **6. REVALUATION OF LAND AND BUILDINGS**

Land and buildings are stated at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation in respect of buildings.

#### **7. INVESTMENTS**

##### **Financial instruments**

Financial instruments, which include , fixed deposits and short-term deposits invested in registered banking institutions are stated at cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The municipality is exempted from IAS 36 (AC128) in entirety.

## **8. INVENTORIES**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The basis of determining cost is the first-in, first-out method.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Any purified water stock on hand at the end of the financial year is recognised as Inventory in terms of GAMAP 12.

The municipality is exempted from GAMAP 12 if it has recognised an immovable capital asset as property, plant and equipment in terms of GAMAP 17 and has not satisfied itself that the item is in actual fact inventory.

## **9. FINANCIAL INSTRUMENTS**

Financial Instruments carried on the balance sheet include cash and cash equivalents, accounts receivable and accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

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#### **10. ACCOUNTS RECEIVABLE**

Accounts receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on all debtors over 90 days old. Bad debts are written off during the year in which they are identified. Accounts receivable within 12 months from reporting date are classified as current.

#### **11. TRADE CREDITORS**

Trade creditors are stated at their nominal value.

#### **12. REVENUE RECOGNITION**

##### **12.1 Revenue from exchange transactions**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges relating to sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved by Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the billing of the approved tariff of charges is recognised when the relevant service is rendered. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risks and rewards are passed to the consumer.

Revenue from agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the municipality has not met the conditions associated with the contribution, a liability is recognised.

## **12.2 Revenue from non-exchange transactions**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised on accrual basis. The accrual is calculated based on past experience of amounts collected on fines and summonses issued. Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

---

#### **12.2 Revenue from non-exchange transactions - continued**

Revenue arising from interest earned on investments is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount is reliably measured.

Donated property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

No initial measurement of fair value by discounting all future receipts using an imputed rate of interest is done. Revenue from the sale of goods and services are recognised at its face value/cost.

Exemption has been granted by the Minister of Finance from complying with paragraph 12 of GAMAP 9 which requires revenue to be recognised at fair value. The municipality recognizes all revenue from the sale of goods and services at its face value. Any payables from the purchase of goods and services are also recognised at face value/cost.

#### **13. CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the Municipality has complied with of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

#### **14. PROVISIONS**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the liability can be made. Provisions are reviewed at balance sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

#### **15. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with registered banking institutions and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilized. Finance charges on bank overdrafts are expensed as incurred.

#### **16. UNAUTHORIZED EXPENDITURE**

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Local Government: Municipal Finance Management Act 2003, (Act No. 56 of 2003). Unauthorized expenditure is accounted for as an expense in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

## **EMFULENI LOCAL MUNICIPALITY**

### **SUMMARY OF ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

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#### **17. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act 2003, (Act No. 56 of 2003), the Municipal Systems Act 2000, (Act No. 32 of 2000), the Public Office Bearers Act 1998, (Act No. 20 of 1998) or the Municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

#### **18. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

#### **19. LEASES**

##### **19.1 The Municipality as lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over the shorter of the lease term or its estimated useful life. Lease payments are allocated between the finance lease costs and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.



Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

Operating lease payments are recognised on the basis of the cash flows in the lease agreement.

The municipality is exempted from recognizing operating lease payments on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17 (AC 105))

## **19.2 The Municipality as lessor**

Amounts due from lessees under finance leases or installment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance leases or installments sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or installment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **20. EMPLOYEE BENEFITS**

The Municipality provides retirement benefits for its employees and councillors. Contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The municipality is however exempt in terms of treasury regulations.

## **21. BORROWING COST.**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

## **22. COMPARATIVE INFORMATION**

### **22.1 Current year comparatives**

Prior period errors are corrected retrospectively.

# EMFULENI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
<b>1. LONG-TERM LIABILITIES</b>		
Annuity loans	116,013,681	120,287,858
Capitalized lease liability	22,274,580	28,921,015
Sub-total	138,288,262	149,208,873
<b>Less:</b> Current portion transferred to current liabilities	(9,957,571)	(10,121,440)
Annuity loans	(4,924,641)	(4,464,994)
Capitalized lease liability	(5,032,930)	(5,656,446)
<b>Total long-term liabilities</b>	<b>128,330,691</b>	<b>139,087,433</b>

Refer to appendix A for more details on long-term liabilities

### 1.1 Stannic

Present value of the loan	616,333	2,531,813
Payable: within 1 year	533,746	1,798,423
2 - 5 years	82,587	733,390
After 5 years	-	-
<b>Less:</b>	37,634	318,066
Total	578,699	2,213,747
Payable: within 1 year	496,112	1,612,924
2 - 5 years	82,587	600,823

**1.2 Mercedes Benz Finance**

Principal

10,163,232

8,154,790

Payable: within 1 year

2,453,038

779,963

2 - 5 years

7,710,193

7,374,827

**1.3 Fleet Africa**

Principal

11,611,810

7,196,344

Payable: within 1 year

2,159,512

1,265,906

2 - 5 years

9,452,299

5,930,438

**1.4 Vaal Toyota**

Principal

-

5,979,616

**1.5 Amasondo**

Principal

-

5,376,518

Total Capitalised Lease Liability

22,353,741

28,921,015

	2007 R	2006 R
<b>2. CONSUMER DEPOSITS</b>		
Electricity and Water	24,281,164	22,559,718
<b>Total consumer deposits</b>	<u>24,281,164</u>	<u>22,559,718</u>
<b>3. CREDITORS</b>		
Trade creditors	116,711,533	93,087,403
Payments received in advance	60,558,855	51,568,157
Staff leave and Bonus	46,055,452	21,957,712
Other creditors	37,532,618	33,549,052
<b>Total creditors</b>	<u>260,858,458</u>	<u>200,162,324</u>
<b>4. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>4.1 Conditional grants from other spheres of Government</b>		
Municipal infrastructure grant	5,116,376	3,220,403
Financial management grant	1,270,886	1,162,868
Restructuring grant	66,492,091	2,268,491
Grant libraries	185,800	-
DWARF Grant	20,050,380	-
Health Grant	2,020,061	-
HIV/AIDS Grant	1,115,788	691,333
<b>Sub-total</b>	<u>96,251,382</u>	<u>7,343,095</u>

<b>4.2 Other conditional receipts</b>	5,875,313	5,749,413
<b>Total conditional grants and reserves</b>	102,126,695	13,092,508
<b>5. VALUE ADDED TAX (VAT)</b>		
VAT payable/(receivable)	(26,499,834)	(17,989,934)
	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>
<b>7. INVESTMENTS</b>		
Fixed deposit held to maturity	37,778,398	29,523,737
<b>Total Investments</b>	37,778,398	29,523,737
Investments amounting to R 33,435,104 held with both New Republic, Standard Bank and INCA have been pledged as security of DBSA, Stannic and INCA loans.		
The recoverability of the NRB Investment is uncertain.		
<b>8. INVENTORY</b>		
Water on hand	351 854	335 155
Consumable stores at cost	1,912,019	10 833 099
Spare parts - at cost	9,583,986	-
Maintenance Material at cost	794 420	-
Obsolete stock write-off	( 218 463)	-
<b>Total inventory</b>	12,423,816	11,168,254

**9. CONSUMER DEBTORS**  
**As at 30 June 2007**

Service debtors  
Water  
Assessment rates  
Sewerage  
Refuse  
Electricity  
Indigent debtors control  
Clearance two year debt

<b>Gross balances</b>	<b>Provision for bad debts 2007</b>	<b>Net balances 2007</b>
		-
642,658,638	586,728,145	55,930,493
556,634,438	508,548,262	48,086,176
209,866,268	186,899,913	22,966,355
123,154,687	113,657,520	9,497,167
101,508,102	65,059,638	36,448,464
199,179,319	199,029,164	150,155
111,479	111,479	-
1,833,112,930	1,660,034,120	173,078,810

**As at 30 June 2006**

Service debtors  
Water  
Assessment rates  
Sewerage  
Refuse  
Electricity  
Indigent debtors control  
Indigent abeyance control  
Clearance two year debt

<b>Gross balances</b>	<b>Provision for bad debts 2006</b>	<b>Net balances 2006</b>
658,504,907	602,627,646	55,877,261
578,513,668	550,686,817	27,826,851
186,954,886	174,464,500	12,490,386
149,632,164	141,646,931	7,985,233
107,827,849	81,197,593	26,630,256
16,633,185	34,651,537	(18,018,352)
-	(32,219,219)	32,219,219
163,146	169,196	(6,050)
1,698,229,805	1,553,225,002	145,004,803

**9. CONSUMER DEBTORS - continued**

**Electricity, Water & Sewerage ageing**

Current (0 - 30 days)	74,205,224	65,546,038
31 - 60 Days	22,733,971	26,831,758
61 - 90 Days	23,801,541	23,703,755
90 Days +	1,155,737,757	1,003,634,584
<b>Total</b>	<b>1,276,478,492</b>	<b>1,119,716,136</b>

**Assessment rates**

Current (0 - 30 days)	27,900,971	25,932,952
31 - 60 Days	10,519,592	9,559,164
61 - 90 Days	9,665,613	8,765,684
90 Days +	508,548,262	534,255,869
	<b>556,634,438</b>	<b>578,513,669</b>
	<u>1,833,112,930</u>	<u>1,698,229,805</u>

**Summary of Debtors by Customer Classification**

	<b>Business R</b>	<b>Domestic R</b>	<b>Government R</b>	<b>Other R</b>
<b>30th June 2007</b>				
Current (0-30 days)	26,071,411	83,240,135	2,199,789	4,756,819
31-60 Days	3,180,234	35,540,890	1,275,051	1,504,919
61-90 Days	1,670,003	33,325,873	795,466	3,598,625
90Days+	1,131,627	32,022,359	582,105	1,199,939
Sub-Total(Excluding VAT)	28,116,908	161,516,892	4,256,500	9,834,151
Less: Provision for Bad debts	(992 655)	(28 089 789)	(510 618)	(1 052 578)
<b>Total debtors by customer classification</b>	<b>27,124,253</b>	<b>133,427,103</b>	<b>3,745,882</b>	<b>8,781,573</b>

### Summary of Debtors by Customer Classification

	<b>Business R</b>	<b>Domestic R</b>	<b>Government R</b>	<b>Other R</b>
<b>30th June 2006</b>				
Current (0-30 days)	21,880,186	76,134,803	3,093,429	4,471,654
31-60 Days	2,722,341	35,407,980	1,375,842	2,881,795
61-90 Days	28,130,413	58,167,358	26,549,453	27,255,974
90Days+	1,477,765	31,974,765	532,093	2,290,328
Sub-Total	54,210,705	201,684,905	31,550,816	36,899,751
Less: Provision for Bad debts	(1 477 765)	(31 974 765)	(532 093)	(2 290 328)
<b>Total debtors by customer classification</b>	<b>52,732,940</b>	<b>169,710,140</b>	<b>31,018,723</b>	<b>34,609,422</b>



## 10. OTHER DEBTORS

Car loans	-	8,002
Study loans	-	38,212
Debtors year end suspense	410,758	1,275,776
Housing/Erven loans	5,885,185	6,096,523
Sundry debtors	76,782,783	69,840,295
Rental debtors	5,008,805	4,234,384
Debtor suspense account	19,147,829	23,701,765
<b>Less: Provision for bad debts</b>	<b>(76 948 878)</b>	<b>(60,726,894)</b>
<b>Total other debtors</b>	<b>30,286,482</b>	<b>44,468,063</b>

## 11. CALL INVESTMENT DEPOSITS, BANK BALANCES AND CASH ADVANCES/DEPOSITS

### 11.1 Current account (Primary account)

The Municipality has the following balances:

ABSA Bank (Vanderbijlpark)  
Account number: 530000087

Cash book balance at beginning of the year (overdrawn)	(3,017,523)	(4,712,730)
Cash book balance at end of the year (overdrawn)	(32,285,554)	(3,017,523)
Bank statement balance at beginning of the year - (overdrawn)/positive	37,075,726	8,273,560
Bank statement balance at the end of the year - positive/(overdrawn)	18,238,649	37,075,726

**11. CALL INVESTMENT DEPOSITS,BANK BALANCES AND CASH  
ADVANCES/DEPOSITS-continued**

**11.2 Current account**

ABSA Bank (Vanderbijlpark)  
Account number: 4057749059

Cash book balance at beginning of the year (overdrawn)	639,839	(9,810,418)
Cash book balance at end of the year (overdrawn)	914,461	639,839
Bank statement balance at beginning of the year - (overdrawn)/positive	835,206	1,501,490
Bank statement balance at the end of the year - positive/(overdrawn)	1,204,390	835,206

	2007 R	2006 R
<b>11. CALL INVESTMENT DEPOSITS,BANK BALANCES AND CASH ADVANCES/ DEPOSITS-continued</b>		
<b>11.3 Current account</b>		
FNB (Vanderbijlpark)		
Account number: 62072353396		
Cash book balance at beginning of the year (overdrawn)	18,014	22,985
Cash book balance at end of the year (overdrawn)		18,014
Bank statement balance at beginning of the year - (overdrawn)/positive	18,014	22,985
Bank statement balance at the end of the year - positive/(overdrawn)		18,014
<b>11.4 Current account</b>		
FNB (Vanderbijlpark)		
Account number: 62072353396		
Cash book balance at beginning of the year (overdrawn)	231,952	-
Cash book balance at end of the year (overdrawn)	388,012	231,952
Bank statement balance at beginning of the year - (overdrawn)/positive	231,952	-
Bank statement balance at the end of the year - positive/(overdrawn)	388,012	231,952

#### 11.4 Current account

ABSA Bank (Vanderbijlpark)

Account number: 4057037068

Cash book balance at beginning of the year (overdrawn)	(1,640)	-
Cash book balance at end of the year (overdrawn)	-	(1,640)
Bank statement balance at beginning of the year - (overdrawn)/positive	(1,640)	719
Bank statement balance at the end of the year - positive/(overdrawn)	-	(1,640)

ABSA Bank (Vanderbijlpark)

Account number: 4060433681

Cash book balance at beginning of the year (overdrawn)	18,014	-
Cash book balance at end of the year (overdrawn)	-	18,014
Bank statement balance at beginning of the year - (overdrawn)/positive	18,014	22,985
Bank statement balance at the end of the year - positive/(overdrawn)	-	18,014

**11. CALL INVESTMENT DEPOSITS,BANK BALANCES AND CASH ADVANCES/  
DEPOSITS-continued**

**11.4 Current account - continued**

**Reconciliation of bank balances as per statement of financial  
position and notes to the annual financial statements**

	<b>R</b>
Balance as per Notes to the annual financial statements	(30,983,081)
Plus:Outstanding cheques	40,357,404
Plus:Reversal of ACB payments	10,227,700
	<hr/>
Balance as statement of financial position	19,602,023
	<hr/>

	<b>2007 R</b>	<b>2006 R</b>
<b>11.5 The following banking facilities were available to the Council:</b>		
11.5.1 Credit Card Facility	20,000	-
Utilised	(15,000)	-
	<hr/>	<hr/>
Available	5,000	-
	<hr/>	<hr/>
11.5.2 Local Document Product (LDP) Facility	210,000	-
	<hr/>	<hr/>
11.5.3 ACB Limit	500,000	-
	<hr/>	<hr/>

<b>11.6</b>	<b>Cash advances (Petty cash/floats)</b>	40,754	40,754
		<hr/>	<hr/>
<b>11.7</b>	<b>Call deposits</b>		
	Call deposits	240,970,223.17	98,101,188
		<hr/>	<hr/>
	<b>Total Call deposits</b>	240,970,223.17	98,101,188
		<hr/>	<hr/>
	<b>Earmarked for:</b>		
	Unspent conditional grants	102,126,695	98,101,188
	Operating cashflows	138,843,528.30	-
		<hr/>	<hr/>
		240,970,223	98,101,188
		<hr/>	<hr/>

	2007 R	2006 R
<b>12. PROPERTY RATES</b>		
<b>12.1 Annual rates</b>		
Residential	108,404,845	88,646,301
Commercial	98,400,197	87,734,593
Government	8,290,780	10,086,832
Agriculture	14,055,844	12,968,146
Other	45,585	16,349
	<hr/>	<hr/>
<b>Total property rates</b>	229,197,251	199,452,221
	<hr/>	<hr/>
<b>12.2 Valuations</b>		
Residential	1,323,525,826	1,256,602,819
Commercial	671,212,103	710,571,444
Government	85,971,000	108,483,823
Agriculture	360,288,590	375,645,590
Other	305,000	570,000
	<hr/>	<hr/>
<b>Total property valuations</b>	2,441,302,519	2,451,873,676
	<hr/>	<hr/>

The policy of council is to perform valuation on land every three years. The new valuation roll was due on 01 July 2007 and in order to comply with the Municipal Property Rates Act, EMFULENI wrote to the Minister for the extension of the valuation roll up to 2009 and the extension has been granted. In terms of the Act, all Municipalities are expected to comply with the Municipal Property rates Act by the 1st of July 2009.

### 13. SERVICE CHARGES

Sale of electricity	521,177,803	483,479,869
Sale of water	285,441,456	227,381,050
Refuse removal	66,364,512	57,852,600
Sewerage and sanitation charges	137,540,232	77,570,645
<b>Total service charges</b>	<b>1,010,524,003</b>	<b>846,284,164</b>



	2007 R	2006 R
<b>14. GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share (Note 14.1)	193,116,783	156,954,063
MIG fund (Note 14.8)	55,944,293	45,337,152
Financial management grant (Note 14.3)	391,982	1,692,388
Provincial health subsidy (Note 14.4)	26,474,161	26,850,310
Restructuring grant (Note 14.5)	5,776,400	5,174,437
Grants received in kind (Note 14.6)	2,710,900	400,000
Other grants (Note 14.7)	24,010	3,772,239
Conditional Health Grant ( Note 14.9)	19,307	-
HIV/Aids Grant (Note 14.12)	310,544	149,628
	<hr/>	<hr/>
	284,768,380	240,330,217
	<hr/>	<hr/>

#### 14.1 Equitable share

This grant is used to subsidize the provision of basic services to residential household. Currently municipality provides 6 kilolitres of water free to residential household in formal settlement. All registered indigents qualified for subsidy to the maximum of R 336.

#### 14.2 CMIP grant

Balance unspent at the beginning of the year	-	4,273,666
Conditions met - transferred to revenue	-	(172,861)
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	-	4,100,805

#### 14.3 Financial management grant

Balance unspent at the beginning of the year	1,162,868	1,855,257
Current year receipts	500,000	-
Conditions met - transferred to income	(391,982)	(692,389)
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	1,270,886	1,162,868

	2007 R	2006 R
<b>14. GOVERNMENT GRANTS AND SUBSIDIES - continued</b>		
<b>14.4 Provincial health subsidy</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts	26,474,161	26,850,310
Conditions met - transferred to revenue	(26,474,161)	(26,850,310)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	-	-
	<hr/>	<hr/>
The provincial health subsidy is a claim based grant on expenditure incurred. The subsidy received is not equal to the total claim. This is the reason for income not equal to expenditure. The expenditure incurred of this grant is not disclosed separately but has been included with the financial statements based on the nature of the expenditure.		
<b>14.5 Restructuring grant</b>		
Balance unspent at the beginning of the year	2,268,491	7,442,928
Current year receipts	70,000,000	-
Conditions met - transferred to revenue	(5,776,400)	(5,174,437)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	66,492,091	2,268,491
	<hr/>	<hr/>

**14.6 Grants received in kind**

Balance unspent at the beginning of the year	-	-
Current year receipts	5,230,916	400,000
Conditions met - transferred to income (Through Statement of Changes in F	(2,520,016)	-
Conditions met - transferred to income	(2,710,900)	(400,000)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	-	-
	<hr/>	<hr/>

**14.7 Analysis of other grants**

Opening balance	2,915,793	5,889,316
Conditions met - transferred to income	(24,010)	(2,973,523)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	2,891,783	2,915,793
	<hr/>	<hr/>

	2007 R	2006 R
<b>14. GOVERNMENT GRANTS AND SUBSIDIES - continued</b>		
<b>14.8 Municipal Infrastructure Grant</b>		
Opening balance	3,220,404	1,612,661
Current year receipts	57,840,265	46,944,894
Conditions met - transferred to income	(55,944,293)	(45,337,152)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	<b>5,116,377</b>	<b>3,220,404</b>
	<hr/>	<hr/>
<b>14.9 Health Grant</b>		
Opening balance	-	-
Current year receipts	2,039,368	-
Conditions met - transferred to income	(19,307)	-
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	<b>2,020,061</b>	<b>-</b>
	<hr/>	<hr/>
<b>14.10 Grant Libraries</b>		
Opening balance	-	-
Current year receipts	185,800	-
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	<b>185,800</b>	<b>-</b>
	<hr/>	<hr/>

**14.11 DWAF Grant**

Opening balance	-	-
Current year receipts	20,050,380	-
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	<b>20,050,380</b>	<b>-</b>
	<hr/>	<hr/>

**14.12 HIV/AIDS Grant**

Opening balance	691,333	148,324
Current year receipts	735,000	692,639
Conditions met - transferred to income	(310,544)	(149,628)
	<hr/>	<hr/>
<b>Conditions still to be met - transferred to liabilities (Note 4)</b>	<b>1,115,789</b>	<b>691,335</b>
	<hr/>	<hr/>

	2007 R	2006 R
<b>15. OTHER INCOME</b>		
Tariff charges levied: Refuse dumping landfill site	15,178,336	16,978,429
Tariff charges levied: Reconnection fees	13,866,360	7,173,708
Sundry income	3,162,103	10,135,101
	<hr/>	<hr/>
	32,206,799	34,287,238
	<hr/>	<hr/>
<b>16. EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries	216,663,485	184,000,934
medical aid	61,003,903	54,697,515
Employee related costs - Contributions to Group Insurance	6,693,914	5,690,395
Travel, motor car and other allowances	23,572,764	19,022,436
Housing benefits and allowances	2,964,334	2,834,818
Overtime payments	20,327,772	16,094,988
Leave bonus	15,735,498	14,436,485
Long Service Awards	2,517,463	2,408,488
Industrial council levy	90,861	77,323
	<hr/>	<hr/>
	349,569,993	299,263,382
	<hr/>	<hr/>

**16.1 Remuneration of the Municipal Manager from 01 April 2007**

Remuneration	223,623	411,568
Car allowance	74,250	136,000
	<hr/>	<hr/>
<b>Total</b>	<b>297,873</b>	<b>547,568</b>
	<hr/>	<hr/>

**16.2 Remuneration of the Deputy Municipal Manager: Corp Services from 14 May 2007**

Remuneration	92,970	359,248
Car allowance	19,091	96,000
	<hr/>	<hr/>
<b>Total</b>	<b>112,061</b>	<b>455,248</b>
	<hr/>	<hr/>

**16.3 Remuneration of the Chief Finance Officer from 01 December 2006**

Remuneration	350,000	350,104
Car allowance	116,667	96,000
	<hr/>	<hr/>
<b>Total</b>	<b>466,667</b>	<b>446,104</b>
	<hr/>	<hr/>



	2007 R	2006 R
<b>16. EMPLOYEE RELATED COSTS - continued</b>		
<b>16.4 Remuneration of Chief Audit Executive from 15 June 2007</b>		
Remuneration	21,270	-
Car allowance	5,714	-
<b>Total</b>	<b>26,984</b>	<b>-</b>
<b>16.5 Remuneration of Chief Director: Water &amp; Sanitation</b>		
Remuneration	835,192	622,152
Acting Allowance	28,329	-
Car allowance	130,440	130,440
<b>Total</b>	<b>993,961</b>	<b>752,592</b>
<b>17. REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	623,105	644,366
Speaker	487,004	350,186
Mayoral committee members	5,028,877	3,390,168
Councillors	12,891,721	7,246,379
Councillors' pension contributions and other	617,336	1,120,761
<b>Total remuneration</b>	<b>19,648,043</b>	<b>12,751,860</b>

**In kind benefits**

The Executive Mayor, Speaker and Mayoral committee members are full-time. Each political office bearer is provided with an office and secretarial support at cost to Council. The Executive Mayor has two full-time bodyguards.

	2007 R	2006 R
<b>18. INTEREST PAID</b>		
Long-term liabilities	17,697,698	22,602,235
Finance leases	2,993,187	799,331
Other	-	2,903,909
<b>Total</b>	<b>20,690,885</b>	<b>26,305,475</b>
<b>19. BULK PURCHASES</b>		
Electricity	378,474,824	339,961,350
Water	213,593,263	190,531,031
<b>Total</b>	<b>592,068,087</b>	<b>530,492,381</b>
<b>20. GENERAL EXPENSES</b>		
Included in General expenses are the following items:		
Audit fee	4,411,524	835,691
Bank charges	3,254,982	2,814,348
Fleet - fuel	10,646,170	7,557,961
Management fees	2,447,613	3,284,294
Marketing/Promotions/Adverts	3,031,806	979,872
Postages	3,321,732	3,250,968
Stock and materials	2,027,597	8,087,947
Special projects	9,491,362	7,955,925
Insurance premiums	11,224,940	9,637,175

## 21. CORRECTION OF ERROR

### 21.1 Traffic fines and refuse dumping site income

Traffic fines income amounting to R 9,332 679.75 and refuse dumping site income amounting to R 1,374 376 was not accrued for at 30 June 2006. The financial statements of 30 June 2006 have been restated to correct this error. The effect is summarised below.

Increase in Traffic fines income	-	9,332,680
Increase in Refuse dumping site income		1,374,376
Increase in surplus	-	10,707,056
Increase in Traffic fines receivable	-	9,332,680
Increase in Refuse dumping site receivable		1,374,376
<b>Net credit to surplus/(deficit) for the year</b>	<b>-</b>	<b>10,707,056</b>
<b>Effect of correction of error in opening accumulated surplus</b>		
Increase in opening accumulated surplus	3,150,299	3,150,299
Correction of Error in 2005/2006	7,556,757	
<b>Net credit to accumulated surplus/(deficit) for the year</b>	<b>10,707,056</b>	<b>3,150,299</b>

	2007 R	2006 R
<b>21. CORRECTION OF ERROR - continued</b>		
<b>21.2 Allocaction of Unallocated Traffic fines.</b>		
Traffic fines income amounting to R 4, 155,999 were not allocated to traffic fines income at 30 June 2006. The financial statements of 30 June 2006 have been restated to correct this error. The effect is summarised below.		
Increase in Traffic fines income	-	4,155,999
Increase in surplus	-	4,155,999
Decrease in unallocated income- traffic	-	4,155,999
<b>Net credit to surplus/(deficit) for the year</b>	<b>-</b>	<b>4,155,999</b>
<b>Effect of correction of error in opening accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	4,155,999	-
<b>Net credit to accumulated surlpus/(deficit) for the year</b>	<b>4,155,999</b>	<b>-</b>

### 21.3 Water Inventory

Water Inventory to the value of R 335 155 that was on hand in 2006 was not accounted for at 30 June 2006. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.

Decrease in Bulk purchases : Water	-	335,155
	<hr/>	<hr/>
Increase in surplus	-	335,155
	<hr/>	<hr/>
Increase in Inventory	-	335,155
	<hr/>	<hr/>
<b>Net credit to surplus/(deficit) for the year</b>	-	335,155
	<hr/>	<hr/>
<b>Effect of correction of error in accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	335,155	-
	<hr/>	<hr/>
<b>Net credit to accumulated surplus/(deficit) for the year</b>	335,155	-
	<hr/>	<hr/>

	2007 R	2006 R
<b>21. CORRECTION OF ERROR - continued</b>		
<b>21.4 Debtors Impairment</b>		
Impairment of debtors in prior year annual financial statements was understated by R 22 782 771. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.		
Increase in provision for bad debts	-	22,782,771
Decrease in surplus	-	22,782,771
Decrease in Consumer Debtors	-	22,782,771
<b>Net debit to surplus/(deficit) for the year</b>	-	22,782,771
<b>Effect of correction of error in accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	22,782,771	-
<b>Net debit to accumulated surplus/(deficit) for the year</b>	22,782,771	-

## 21.5 Other debtors Impairment

Impairment of other debtors in prior year annual financial statements was understated by R 57 199 954. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.

Increase in provision for bad debts	-	57,199,954
	<hr/>	<hr/>
Decrease in surplus	-	57,199,954
	<hr/>	<hr/>
Decrease in Other Debtors	-	57,199,954
	<hr/>	<hr/>
<b>Net debit to surplus/(deficit) for the year</b>	-	57,199,954
	<hr/>	<hr/>
<b>Effect of correction of error in accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	57,199,954	-
	<hr/>	<hr/>
<b>Net debit to accumulated surplus/(deficit) for the year</b>	57,199,954	-
	<hr/>	<hr/>



	2007 R	2006 R
<b>21. CORRECTION OF ERROR - continued</b>		
<b>21.6 Municipal Infrastructure Grant Revenue</b>		
Municipal Infrastructure grant amounting to R 45 337 152 was not accounted for at 30 June 2006. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.		
Increase in government grant and subsidies	-	45,337,152
Increase in surplus	-	45,337,152
Decrease in unspent grant liability.	-	45,337,152
<b>Net credit to surplus/(deficit) for the year</b>	-	45,337,152
<b>Effect of correction of error in accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	45,337,152	-
<b>Net credit to accumulated surplus/(deficit) for the year</b>	45,337,152	-

## 21.7 Leave Provision and 13th cheque provision

Leave provision in prior year annual financial statements was understated by R 2 282 010 and the Council did not provide for 13th cheques amounting to R 7 380 737 at 30 June 2006. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.

Increase in provision for leave	-	9,662,747
Decrease in surplus	-	9,662,747
Increase in provision for leave.	-	9,662,747
<b>Net debit to surplus/(deficit) for the year</b>	-	9,662,747
<b>Effect of correction of error in accumulated surplus</b>		
Increase in opening accumulated surplus	-	-
Correction of Error in 2005/2006	9,662,747	-
<b>Net debit to accumulated surplus/(deficit) for the year</b>	9,662,747	-

	2007 R	2006 R
<b>21. CORRECTION OF ERROR - continued</b>		
<b>21.8 Repairs and Maintenance</b>		
Repairs and Maintenance in prior year annual financial statements were understated by R 2 337 971. The financial statements of 30 June 2006 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below.		
Increase in Repairs and Maintenance	-	2,337,971
Decrease in surplus	-	2,337,971
<b>Net debit to surplus/(deficit) for the year</b>	-	2,337,971
<b>Effect of correction of error in accumulated surplus</b>		
Decrease in opening accumulated surplus	-	-
Correction of Error in 2005/2006	2,337,971	-
<b>Net debit to accumulated surplus/(deficit) for the year</b>	2,337,971	-

## 22. CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	57,030,563	39,890,448
Adjusted for:		
Depreciation	59,235,239	45,339,546
Intercouncil indebtedness written off	-	(4,583,036)
Loan write-off	(272,596)	-
Settlement discount (Non Cash)	700,396	-
Gain on disposal of property, plant and equipment	(3,973,301)	(2,563,408)
Stock shortages	(1,514,548)	1,871,913
Stock write off	1,873,379	-
Contribution to provisions - leave and bonuses	29,281,737	(11,885,830)
VAT		1,828,052
Incorrect transactions	-	6,179,833
Contribution to bad debts provision	262,791,919	282,735,442
Unreconciled item	(8,388,006)	62,899,791
Investment income	(19,887,817)	(14,102,824)
Interest earned - outstanding debtors	(131,268,337)	-
Interest paid	20,690,885	26,305,475
<b>Operating surplus before working capital changes:</b>	<b>266,299,513</b>	<b>433,915,402</b>
(Increase)/decrease in inventories	(1,255,562)	(1,691,279)
(Increase)/decrease in debtors	(134,883,125)	(359,055,506)
(Increase)/decrease in other debtors	(2,040,403)	(10,387,104)
Increase/(decrease) in conditional grants and receipts	89,034,187	38,277,158
Increase/(decrease) in creditors	60,696,134	26,244,364
Increase/(decrease) in consumer deposits	1,721,446	1,346,501
Increase/(decrease) in retention creditors	2,078,082	2,235,383
Increase/(decrease) in VAT	(8,509,900)	(103,629,989)
	<u>273,140,371</u>	<u>27,254,930</u>
	273,481,587.3	
	(341,216)	

	2007 R	2006 R
<b>23. CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		
Cash and cash equivalents included in the cash flow statement comprise the following statements of amounts indicating financial position:		
Cash Advances	40,753	40,753
Call Investment deposits	240,970,223	98,101,188
Bank balances	19,602,023	42,511,359
<b>Total Cash and Cash Equivalents</b>	<b>260,612,999</b>	<b>140,653,300</b>

## 24. ADDITIONAL DISCLOSURE IN TERMS OF THE MFMA

24.1 Councillor's arrear consumer accounts: 30 June 2006	Total R	Outstanding less than 90 days R	Outstanding more than 90 days R
Councillor Mosia AN	38,141	991	37,150
Councillor Ngubane LS	21,270	983	20,287
Councillor Louw PJ	1,253	609	644
Councillor Maduna LJ	33,666	1,151	32,115
Councillor Zondo P	6,223	950	5,273
Councillor Qupe DC	4,028	1,314	2,713
Councillor Senekal GM	3,932	730	3,203
Councillor Mokoena CSD	4,637	129	4,507
Councillor Pooe NS	27,408	984	26,424
Councillor MuirMP	534	203	331
<b>Total councillor arrear consumer accounts</b>	<b>141,091</b>	<b>8,044</b>	<b>132,647</b>
<b>30th June 2006</b>	<b>Total R</b>	<b>Outstanding less than 90 days R</b>	<b>Outstanding more than 90 days R</b>
Councillor HLONGWANE MM	1,170.00	633.00	537.00
Councillor HLUBI MJ	24,032.00	943.00	23,089.00
	<b>25,202.00</b>	<b>1,576.00</b>	<b>23,626.00</b>

	2007 R	2006 R
<b>24. ADDITIONAL DISCLOSURE IN TERMS OF THE MFMA - continued</b>		
<b>24.2 PAYE and UIF</b>		
Opening balance	3,139,922	2,399,222
Current year payroll deductions	40,122,236	37,532,932
Amounts paid - current year	(36,816,712)	(34,393,010)
Amounts paid - previous years	(3,139,922)	(2,399,222)
<b>Balance unpaid (included in creditors)</b>	<b>3,305,525</b>	<b>3,139,922</b>

The balance represents PAYE and UIF deducted from the June 2007 payroll. These amounts were paid during July 2007.

## 25. CONTINGENT LIABILITY

ESKOM	183,060,288	183,060,288
Upon incorporation on 1 January 1995, the former Town Council of Sebokeng into the now disestablished Vereeniging/Kopanong Metropolitan Local Council, Sebokeng Town Council had a liability of approximately R300 million towards to ESKOM. However EMFULENI Local Municipality is of the opinion that ESKOM took over certain electricity networks in settlement of the liability.		
	183,060,288	183,060,288

### **Contingent assets**

Assets taken over by ESKOM in terms of the above mentioned revaluation and not reflected in the statement of financial position. There is currently a dispute between the Municipality and the attorneys.

117,399,999

117,399,999

### **26 IN KIND ASSISTANCE**

The municipality received in kind assistance from the National Treasury that seconded an International Finance Advisor by National Treasury and the secondment of Advisor from National Province.

### **27 COMPARISON WITH THE BUDGET**

The comparison with the budget is set out in Appendix E1



	2007 R	2006 R
<b>28 CAPITAL COMMITMENTS</b>		
The Council has committed itself to the following capital projects:		
Infrastructure	562,242	-
Community Assets	200,440	-
Other Assets	2,518,634	-
Office Equipment	547,463	-
<b>Total</b>	<b>3,828,779</b>	<b>-</b>
This expenditure will be financed from:		
Grants and Subsidies	642,185	-
Own Funds	3,186,594	-
	<b>3,828,779</b>	<b>-</b>
<b>29 UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
The Council incurred fruitless and wasteful expenditure amounting .	112,108	1,520,507
Total unauthorised expenditure incurred during the financial year.	4,392,143	-

**EMFULENI LOCAL MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**6. PROPERTY, PLANT AND EQUIPMENT**

<b>Reconciliation of Carrying Value Restated</b>	<b>Land &amp; Buildings R</b>	<b>Infrastructure R</b>	<b>Community R</b>	<b>Heritage R</b>	<b>Other R</b>	<b>Leased Infrastructure R</b>	<b>Total R</b>
<b>Carrying values at 1 July 2006</b>	-	767,946,164	213,050,785	203,919	82,067,434	29,529,905	1,092,798,207
Restated Cost	0	2,058,483,976	301,464,846	203,919	183,729,860	66,347,785	2,610,230,386
Cost as recorded in 2006	315,735,053	2,062,488,955	112,108,383	203,919	127,098,862	-	2,617,635,172
Reclassification of class of asset	(315,735,053)		189,356,464	-	53,230,741	66,347,785	(6,800,063)
- Accumulated depreciation	(0)	(1,290,537,812)	(88,414,061)	-	(101,662,426)	(36,817,880)	(1,517,432,178)
-restated Cost	-	(494,203,187)	(88,414,061)	-	(101,662,426)	(36,817,880)	(721,097,554)
-Revaluation	-	(796,334,625)	-	-	-	-	(796,334,625)
Opening balance as per AFS	(91,156,304)	(494,203,187)	(61,548,514)	-	(74,189,548)	-	(721,097,553)
Correction of error	91,156,304	-	(26,865,547)	-	(27,472,878)	(36,817,880)	(1)
Acquisitions	-	131,158,918	6,534,811	-	25,335,313	7,641,089	170,670,131
Assets acquired during the year		30,531,670	6,534,811		24,136,981	7,641,089	68,844,551
Assets - grant received from Sedibeng		100,627,248			1,198,332		101,825,580
Capital under construction	180,920	47,325,465	-	-	3,231,634	-	50,738,019
<b>Depreciation</b>	-	(45,082,567)	(2,663,988)	-	(6,928,396)	(4,560,289)	(59,235,240)
- Based on cost		(45,082,567)	(2,663,988)	-	(6,928,396)	(4,560,289)	(59,235,240)
Carrying value of disposals	-	145,049	5,115,000	-	7,235	11,595,806	16,863,090
Cost/revaluation	-	145,049	25,115,000	-	1,004,603	16,609,465	42,874,117
Accumulated Depreciation	-	-	(20,000,000)	-	(997,368)	(5,013,659)	(26,011,027)
<b>Carrying values at 30 June 2007</b>	<b>180,920</b>	<b>901,202,932</b>	<b>211,806,609</b>	<b>203,919</b>	<b>103,698,750</b>	<b>21,014,899</b>	<b>1,238,108,029</b>
Cost	180,920	2,236,823,310	282,884,658	203,919	211,292,204	57,379,409	2,788,764,420
Accumulated Depreciation	-	(1,335,620,378)	(71,078,049)	-	(107,593,454)	(36,364,510)	(1,550,656,391)
- Cost	-	(1,335,620,378)	(71,078,049)		(107,593,454)	(36,364,510)	(1,550,656,391)

## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

#### 6. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value	Land & Buildings R	Infra- structure R	Community R	Heritage R	Other R	Leased Infra- structure R	Total R
<b>Carrying values at 1 July 2005</b>	225,975,642	751,341,740	41,759,683	163,988	22,217,141	-	1,041,458,194
Cost	315,535,484	2,004,394,484	102,371,254	203,919	95,320,903	-	2,517,826,044
Accumulated depreciation	(89,559,842)	(1,253,052,744)	(60,611,571)	(39,931)	(73,103,762)	-	(1,476,367,850)
-Cost	(89,559,842)	(483,615,337)	(60,611,571)	(39,931)	(73,103,762)		(706,930,443)
-Revaluation	-	(769,437,407)	-	-	-		(769,437,407)
Acquisitions	573,407	54,089,942	9,737,129	-	32,652,920	-	97,053,397
Capital under construction	-	4,004,529	-	-	3,400,257	-	7,404,786
Depreciation	(1,596,462)	(37,485,068)	(936,943)	39,931	(5,361,004)	-	(45,339,546)
- Based on cost	(1,596,462)	(10,587,850)	(936,943)	39,931	(5,361,004)		(18,442,328)
- Based on revaluation	-	(26,897,218)	-	-	-		(26,897,218)
Carrying value of disposals	(373,838)	-	-	-	-	-	(373,838)
Cost/revaluation	(373,838)	-	-	-	(4,275,218)	-	(4,649,056)
Accumulated Depreciation	-	-	-	-	4,275,218	-	4,275,218
<b>Carrying values at 30 June 2006</b>	224,578,749	771,951,143	50,559,869	203,919	52,909,313	-	1,100,202,993
Cost	315,735,053	2,062,488,955	112,108,383	203,919	127,098,862	-	2,617,635,172
Accumulated Depreciation	(91,156,304)	(1,290,537,812)	(61,548,514)	-	(74,189,548)	-	(1,517,432,178)
- Cost	(91,156,304)	(494,203,187)	(61,548,514)	-	(74,189,548)	-	(721,097,553)
- Revaluation	-	(796,334,625)					(796,334,625)

Land, buildings and electrical infrastructure were revalued to fair value by using depreciated replacement values.

The effective date of the revaluation was 30 June 2003. The revaluation was done by ABS Property Valuers, registered and independent valuers.

## APPENDIX A

### EMFULENI LOCAL MUNICIPALITY SCHEDULE OF LONG-TERM LIABILITIES AS AT 30 JUNE 2007

Type	Number	Redeemable	Balance at 30-Jun-06	Received during the period	Redeemed during period	Balance at 30-Jun-07	Carrying value of Property, Plant & Equip.	Other Costs in accordance with the MFMA
<b>Annuity loans</b>								
Vesco Estate Co @ 7.75%	550/108	2013	272,597	-	272,597	-	-	-
D.B.S.A. Loan @ 11.81%	101731	31.12.2012	17,559,478	-	1,916,556	15,642,922	-	-
D.B.S.A. Loan @ 15.74%	13554/101	30.09-2020	25,102,046	-	515,171	24,586,875	-	-
D.B.S.A. Loan @ 3 month reset	13959/101	31.03.2017	21,221,391	-	1,374,041	19,847,350	-	-
D.B.S.A. Loan @ 13.56%	12624/101	30.06.2012	225,176	-	26,375	198,801	-	-
D.B.S.A. Loan @ 13.56%	12625/101	30.06.2014	121,249	-	9,161	112,088	-	-
D.B.S.A. Loan @ 16.67%	13012/101	31.12.2011	79,994	-	9,838	70,156	-	-
D.B.S.A. Loan @ 15.26%	13014/101	31.12.2012	1,519,614	-	150,438	1,369,176	-	-
Inca @ 17.20%	VERE-00-0002	30.06.2011	19,900,000	-	-	19,900,000	-	-
Inca @ 17%	VERE-00-0001	30.06.2011	34,286,313	-	-	34,286,313	-	-
<b>Total Annuity loans</b>			120,287,858	-	4,274,177	116,013,681	-	-
<b>LEASE LIABILITY</b>								
Stannic @ various % per account		03.12.2008	2,213,745	-	1,635,043	578,702	-	-
Mercedes Benz Finance @ prime - 1%		10.04.2010	8,154,792	4,243,681	2,235,241	10,163,232	-	-
Amasondo			5,376,517	-	5,376,517	-	-	-
Fleet Africa		31.05.2011	7,196,344	6,368,833	1,953,366	11,611,810	-	-
Vaal Toyota			5,979,616		5,979,616	-	-	-
<b>Total Long -term liabilities</b>			28,921,014	10,612,514	17,179,783	22,353,744	-	-
<b>TOTAL EXTERNAL LOANS</b>			149,208,872	10,612,514	21,453,960	138,367,425	-	-

#### Note:

Emfuleni decided to write off loan of R 272 596.22 in favour of Vanderbijlpark Estate Company (Vesco), because neither of the two entities could provide contracts to validate the loan.

**EMFULENI LOCAL MUNICIPALITY  
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007**

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under construction	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>LAND AND BUILDINGS</b>										
Land	187,175,429	-	-	-	187,175,429	22,858,340	-	-	22,858,340	164,317,089
Buildings	128,559,625	-	180,920	-	128,740,544	68,297,965	-	-	68,297,965	60,442,580
	315,735,053	-	180,920	-	315,915,973	91,156,304	-	-	91,156,304	224,759,669
Correction of Error (Note 21.3)	(315,735,053)	-	-	-	(315,735,053)	(91,156,304)	-	-	(91,156,304)	(224,578,749)
	-	-	180,920	-	180,920	-	-	-	-	180,920
<b>COMMUNITY ASSETS</b>										
Ambulance stations	2,969,000	-	-	-	2,969,000	2,500,000	-	-	2,500,000	469,000
Care centres	61,274	-	-	-	61,274	61,274	-	-	61,274	-
Cemeteries	951,466	8,503	-	-	959,969	470,727	463	-	471,191	488,779
Civic theatres	4,191,384	-	-	-	4,191,384	1,446,131	137,837	-	1,583,968	2,607,416
Clinics/hospitals	5,205,381	888,015	-	-	6,093,397	1,828,245	94,756	-	1,923,001	4,170,396
Community centres	34,659,607	-	-	25,000,000	9,659,607	25,538,225	210,526	20,000,000	5,748,751	3,910,856
Fire stations	2,424,552	-	-	-	2,424,552	2,219,723	8,945	-	2,228,668	195,883
Game reserves / Rest camps	3,262,533	-	-	-	3,262,533	262,533	-	-	262,533	3,000,000
Indoor sports	13,588,899	312,011	-	-	13,900,910	5,242,476	358,919	-	5,601,396	8,299,515
Libraries	14,696,961	28,921	-	-	14,725,883	3,400,948	411,469	-	3,812,417	10,913,466
Museums / Art galleries	1,903,997	-	-	-	1,903,997	1,903,997	-	-	1,903,997	-
Parks	182,950,172	-	-	115,000	182,835,172	21,613,822	337,154	-	21,950,976	160,884,197
Public conveniences	13,467	-	-	-	13,467	13,467	-	-	13,467	-
Recreation centres	7,553,673	-	-	-	7,553,673	4,868,179	98,973	-	4,967,152	2,586,521
Paving	2,506,434	654,496	-	-	3,160,930	10,443	127,685	-	138,128	3,022,802
Bowling greens	31,735	-	-	-	31,735	31,735	-	-	31,735	-
Security systems	2,045,460	4,525,277	-	-	6,570,737	2,045,460	75,421	-	2,120,882	4,449,856
Tennis courts	162,989	-	-	-	162,989	162,989	-	-	162,989	-
Swimming pools	5,823,853	-	-	-	5,823,853	5,294,443	10,014	-	5,304,457	519,396
Golf courses	496,813	-	-	-	496,813	496,813	-	-	496,813	-
Jukskei pitches	8,554	-	-	-	8,554	8,554	-	-	8,554	-
Outdoor sports facilities	7,672,179	22	-	-	7,672,200	4,132,688	82,942	-	4,215,629	3,456,571
Lakes and dams	3,467,124	-	-	-	3,467,124	3,429,653	2,709	-	3,432,361	34,762
Fencing	4,734,699	-	-	-	4,734,699	1,348,895	705,849	-	2,054,744	2,679,955
Office buildings	-	117,565	-	-	117,565	-	327	-	327	117,239
Access control	82,641	-	-	-	82,641	82,641	-	-	82,641	-
	301,464,847	6,534,811	-	25,115,000	282,884,658	88,414,061	2,663,987	20,000,000	71,078,048	211,806,610
<b>HERITAGE ASSETS</b>										
Artwork	171,620	-	-	-	171,620	-	-	-	-	171,620
Statues	32,300	-	-	-	32,300	-	-	-	-	32,300
	203,920	-	-	-	203,920	-	-	-	-	203,920

**EMFULENI LOCAL MUNICIPALITY**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007**

APPENDIX B

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>INFRASTRUCTURE</b>										
Mini dumps	8,158,197	-	-	-	8,158,197	3,942,766	287,169	-	4,229,935	3,928,262
Power stations	177,944,128	1,669,269	10,211,401	-	189,824,798	107,865,054	4,002,585	-	111,867,640	77,957,158
Transformer kiosks	173,754,807	-	-	-	173,754,807	104,170,110	3,183,305	-	107,353,415	66,401,392
Meters	15,806,093	-	-	-	15,806,093	5,246,093	880,000	-	6,126,093	9,680,000
Load control equipment	665,240,443	31,033	-	-	665,271,475	443,348,526	13,177,603	-	456,526,129	208,745,346
Switchgear equipment	44,700,075	741,421	-	-	45,441,496	32,887,682	751,146	-	33,638,828	11,802,669
Supply / reticulation	197,427,756	2,086,001	2,918,989	-	202,432,745	173,111,861	949,090	-	174,060,951	28,371,794
Mains	208,488,000	13,564	-	-	208,501,564	93,385,667	4,264,232	-	97,649,899	110,851,666
Motorways	256,925,207	7,144,942	7,252,714	145,049	271,177,814	160,034,111	5,282,658	-	165,316,769	105,861,045
Other roads	7,205,636	-	-	-	7,205,636	7,205,636	-	-	7,205,636	-
Traffic lights	793,061	-	-	-	793,061	793,061	-	-	793,061	-
Street lighting	22,083,303	49,100	-	-	22,132,403	14,412,327	1,944,168	-	16,356,495	5,775,908
Storm water drains	50,207,652	1,461,514	599,410	-	52,268,577	31,388,417	1,284,140	-	32,672,556	19,596,021
Bridges, subways & culverts	453,725	-	-	-	453,725	453,725	-	-	453,725	-
Car parks	4,068,732	-	-	-	4,068,732	3,698,732	-	-	3,698,732	370,000
Bus terminals	797,427	-	-	-	797,427	797,427	-	-	797,427	-
Sewers	76,234,289	1,669,740	4,236,668	-	82,140,696	40,949,131	1,940,015	-	42,889,146	39,251,550
Outfall sewers	3,796,686	-	-	-	3,796,686	1,406,557	190,054	-	1,596,610	2,200,076
Purification works	63,273,891	57,750	8,284,837	-	71,616,477	11,949,871	2,842,762	-	14,792,633	56,823,844
Sewer pumps	260,377	-	-	-	260,377	14,104	13,019	-	27,123	233,255
Meters	3,955,389	1,053,344	-	-	5,008,733	884,348	167,787	-	1,052,135	3,956,598
Mains	5,812,142	1,669,100	1,148,186	-	8,629,429	124,217	308,799	-	433,016	8,196,412
Supply / reticulation	71,085,578	12,884,891	16,677,790	-	100,648,259	52,465,200	1,329,868	-	53,795,067	46,853,191
Reservoirs, tanks	11,381	-	-	-	11,381	3,189	549	-	3,738	7,643
<b>SUBTOTAL</b>	<b>2,058,483,975</b>	<b>30,531,670</b>	<b>51,329,994</b>	<b>145,049</b>	<b>2,140,200,591</b>	<b>1,290,537,812</b>	<b>42,798,949</b>	<b>-</b>	<b>1,333,336,761</b>	<b>806,863,830</b>
Sedibeng assets	-	100,627,248	-	-	100,627,248	-	2,283,618	-	2,283,618	98,343,630
<b>SUBTOTAL</b>	<b>2,058,483,975</b>	<b>131,158,918</b>	<b>51,329,994</b>	<b>145,049</b>	<b>2,240,827,838</b>	<b>1,290,537,812</b>	<b>45,082,567</b>	<b>-</b>	<b>1,335,620,379</b>	<b>905,207,459</b>



**EMFULENI LOCAL MUNICIPALITY  
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007**

**APPENDIX B**

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under construction	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>OTHER ASSETS</b>										
Caravans parks	3,273,790	-	-	-	3,273,790	773,790	-	-	773,790	2,500,000
Cinemas	4,842	-	-	-	4,842	4,842	-	-	4,842	-
Hostels - public/tourist	38,611,450	-	-	-	38,611,450	3,994,368	1,567,566	-	5,561,934	33,049,516
Hostels - workers	5,706,937	-	-	-	5,706,937	5,706,937	-	-	5,706,937	-
Housing schemes	28,879,334	-	-	-	28,879,334	20,622,436	284,020	-	20,906,456	7,972,878
Markets	3,289,370	-	-	-	3,289,370	3,289,370	-	-	3,289,370	-
Office buildings	41,494,794	53,449	-	-	41,548,242	25,935,978	73,401	-	26,009,380	15,538,863
Old age homes	56,227	-	-	-	56,227	56,227	-	-	56,227	-
Workshop/depots	5,014,630	-	-	-	5,014,630	3,859,630	-	-	3,859,630	1,155,000
Household refuse bins	47,216	1,488	-	-	48,704	47,180	170	-	47,350	1,354
Bulk containers	78,000	-	-	-	78,000	27,634	3,899	-	31,533	46,467
Fire equipment	454,256	-	-	-	454,256	42,962	90,305	-	133,267	320,988
Ambulances	513,413	-	-	-	513,413	111,239	102,683	-	213,922	299,491
Fire hoses	119,941	292,964	-	-	412,905	119,941	4,883	-	124,824	288,081
Chairs	3,837,661	167,377	-	750	4,004,289	3,429,465	84,608	750	3,513,323	490,966
Tables / desks	2,841,592	239,207	-	3,150	3,077,649	2,560,334	65,544	3,150	2,622,728	454,921
Cabinets / cupboards	1,873,560	92,507	-	7,000	1,959,067	1,676,166	42,596	7,000	1,711,761	247,306
Miscellaneous	12,254,341	6,616,354	3,231,634	10,960	22,091,370	5,045,186	1,614,760	5,350	6,654,597	15,436,773
Fire engines	2,296,462	1,774,122	-	9,518	4,061,066	1,105,249	306,934	9,518	1,402,665	2,658,401
Buses	5,507	-	-	-	5,507	5,507	-	-	5,507	-
Motor vehicles	9,061,301	4,794	-	4,796,596	4,269,499	3,877,693	284,704	1,150,935	3,011,462	1,258,037
Motor cycles	88,084	383,679	-	46,230	425,534	88,084	45,676	46,230	87,530	338,003
Trucks / bakkies	49,054,845	5,478,494	-	11,331,471	43,201,868	28,222,406	3,433,306	3,381,326	28,274,386	14,927,482
Computer hardware	9,539,967	1,912,676	-	10,600	11,442,042	7,002,531	678,714	10,600	7,670,645	3,771,397
Computer software	1,323,258	9,427,455	-	-	10,750,714	714,474	322,546	-	1,037,020	9,713,693
Office machines	810,804	266,794	-	750	1,076,848	758,451	22,783	750	780,484	296,364
Air conditioners	231,784	233,886	-	-	465,670	177,072	34,972	-	212,044	253,626
Graders	3,484,625	1,783,555	-	0	5,268,179	3,176,704	368,787	0	3,545,491	1,722,688
Tractors	5,328,173	-	-	425,650	4,902,522	3,407,701	386,986	425,650	3,369,037	1,533,485
Lawnmowers	2,248,627	63,530	-	102,391	2,209,766	1,217,514	135,733	102,391	1,250,856	958,910
Compressors	239,630	91,759	-	-	331,389	234,150	438	-	234,588	96,801
Laboratory equipment	40,350	691,910	-	-	732,260	2,956	18,799	-	21,754	710,506
Radio equipment	824,243	68,415	-	118,096	774,561	665,960	41,134	118,096	588,997	185,564
Telecommunication equipment	2,188,436	21,866	-	-	2,210,302	2,058,712	37,521	-	2,096,232	114,070
General	5,304,149	527,531	3,400,257	163,164	9,068,773	4,007,911	156,158	161,539	4,002,529	5,066,244
Lathes	1,100	-	-	-	1,100	1,100	-	-	1,100	-
Milling equipment	1,100	-	-	-	1,100	1,100	-	-	1,100	-
Backactor	1,964,311	1,565,754	-	215,000	3,315,066	1,495,777	356,998	215,000	1,637,775	1,677,291
Front end loader	7,689,535	-	-	372,742	7,316,793	2,955,570	684,429	372,742	3,267,257	4,049,536
Demineralisation plant	-	18,503	-	-	18,503	-	1,234	-	1,234	17,269
<b>SUBTOTAL</b>	<b>250,077,645</b>	<b>31,778,070</b>	<b>6,631,891</b>	<b>17,614,068</b>	<b>270,873,537</b>	<b>138,480,306</b>	<b>11,252,287</b>	<b>6,011,027</b>	<b>143,721,565</b>	<b>127,151,972</b>
Sedibeng assets	-	1,198,332	-	-	1,198,332	-	236,398	-	236,398	961,934
<b>SUBTOTAL - incl. Sedibeng assets</b>	<b>250,077,645</b>	<b>32,976,402</b>	<b>6,631,891</b>	<b>17,614,068</b>	<b>272,071,869</b>	<b>138,480,306</b>	<b>11,488,685</b>	<b>6,011,027</b>	<b>143,957,963</b>	<b>128,113,906</b>
<b>TOTAL - Sedibeng assets</b>	<b>-</b>	<b>101,825,580</b>	<b>-</b>	<b>-</b>	<b>101,825,580</b>	<b>-</b>	<b>2,520,016</b>	<b>-</b>	<b>2,520,016</b>	<b>99,305,564</b>
<b>GRAND TOTAL - excl. Sedibeng assets</b>	<b>2,610,230,386</b>	<b>68,844,551</b>	<b>58,142,805</b>	<b>42,874,117</b>	<b>2,694,343,625</b>	<b>1,517,432,179</b>	<b>56,715,223</b>	<b>26,011,027</b>	<b>1,548,136,374</b>	<b>1,146,207,251</b>
<b>GRAND TOTAL - incl. Sedibeng assets</b>	<b>2,610,230,386</b>	<b>170,670,131</b>	<b>58,142,805</b>	<b>42,874,117</b>	<b>2,796,169,205</b>	<b>1,517,432,179</b>	<b>59,235,239</b>	<b>26,011,027</b>	<b>1,550,656,390</b>	<b>1,245,512,815</b>



APPENDIX C

EMFULENI LOCAL MUNICIPALITY

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
Executive and Council	112,766,801	2,952,792	0	350	115,719,243	11,412,809	5,863,434	350	17,275,893	98,443,350
Finance and Admin	7,766,136	2,328,828	0	10,450	10,084,514	6,227,925	407,458	10,450	6,624,932	3,459,581
Planning and Development	1,531,819	886,800.36	0	11,530	2,407,090	749,079	141,355	11,530	878,904	1,528,186
Health	4,975,478	518,083	0	1,850	5,491,711	3,448,400	214,947	1,850	3,661,497	1,830,214
Community and Social services	17,347,061	28,921	0	55,536	17,320,446	7,402,349	482,621	55,536	7,829,434	9,491,013
Housing	60,535,838	0	0	0	60,535,838	22,929,355	1,662,146	0	24,591,500	35,944,338
Public safety	13,214,013	4,428,477	0	75,270	17,567,221	10,452,305	410,569	69,660	10,793,213	6,774,007
Sport and recreation	39,474,926	312,033	0	12,729	39,774,229	24,645,146	422,988	11,104	25,057,030	14,717,200
Environmental protection	928,846	0	0	0	928,846	224,582	73,175	0	297,757	631,089
Waste management	11,325,127	1,124,742	4,128,058	0	16,577,927	4,713,269	923,524	0	5,636,793	10,941,135
Road transport	355,441,341	29,361,221	7,252,714	0	392,055,276	241,208,512	10,003,169	5,851,992	245,359,689	146,695,586
Water	107,115,879	10,741,887	25,071,237	17,452,433	125,476,569	55,425,916	3,714,837	4,634	59,136,119	66,340,450
Electricity	1,514,551,023	5,188,660	12,971,579	2,900	1,532,708,362	978,030,998	29,159,285	2,900	1,007,187,383	525,520,979
Other	363,256,097	112,797,687	8,719,218	25,251,069	459,521,933	150,561,534	5,755,731	19,991,020	136,326,245	323,195,688
	<b>2,610,230,386</b>	<b>170,670,131</b>	<b>58,142,804</b>	<b>42,874,117</b>	<b>2,796,169,204</b>	<b>1,517,432,178</b>	<b>59,235,239</b>	<b>26,011,027</b>	<b>1,550,656,389</b>	<b>1,245,512,815</b>

**APPENDIX D**

**EMFULENI LOCAL MUNICIPALITY**

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007**

<b>2006 Actual Income R</b>	<b>2006 Actual Expenditure R</b>	<b>2006 Surplus/ (Deficit) R</b>		<b>2007 Actual Income R</b>	<b>2007 Actual Expenditure R</b>	<b>2007 Surplus/ (Deficit) R</b>
240,143,632	107,229,212	132,914,420	Executive and Council	281,662,738	(139,800,384)	421,463,122
-	3,924,448	(3,924,448)	Finance and Admin	278,578,184	314,484,145	(35,905,961)
485,789	20,439,299	(19,953,511)	Planning and Development	7,538,945	25,089,717	(17,550,771)
27,103,005	33,087,448	(5,984,443)	Health	25,987,633	29,833,850	(3,846,217)
-	2,190,769	(2,190,769)	Community and Social services	289,671	29,224,333	(28,934,662)
4,375,579	13,087,300	(8,711,721)	Housing	5,032,326	10,840,450	(5,808,124)
8,336,778	45,938,486	(37,601,707)	Public safety	3,577,592	54,854,575	(51,276,983)
967,458	16,760,519	(15,793,061)	Sport and recreation	891,763	17,379,763	(16,487,999)
12,165	3,404,763	(3,392,598)	Environmental protection	11,693,282	8,451,868	3,241,414
58,506,270	74,460,854	(15,954,584)	Waste management	66,851,064	133,029,647	(66,178,583)
-	15,529,096	(15,529,096)	Road transport	-	32,285,921	(32,285,921)
361,806,500	413,212,550	(51,406,050)	Water	353,280,468	643,295,899	(290,015,430)
504,614,255	435,139,693	69,474,562	Electricity	540,898,298	441,314,497	99,583,800
254,140,627	202,247,894	51,892,733	Other	171,364,311	89,798,189	81,566,123
1,460,492,058	1,386,652,331	73,839,727	Sub total	1,747,646,276	1,690,082,469	57,563,807
-	50,187,269	(50,187,269)	Less: Inter-departmental charges	16,739,583	16,206,338	533,244
1,460,492,058	1,436,839,600	23,652,458	<b>Total</b>	1,730,906,693	1,673,876,131	57,030,563

## EMFULENI LOCAL MUNICIPALITY

## ACTUAL VERSUS BUDGET: (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual R	2007 Budget R	2007 Variance R	2007 Variance (%)	Explanation of significant variances Greater than 10% versus Budget
<b>Revenue</b>					
Property rates	229,197,251	218,558,549	10,638,702	4.87%	
Service charges	1,010,524,003	909,110,339	101,413,664	11.16%	Sewer charges increased substantially due to the fact that the tariffs of Vereeniging and VanderbijlPark were equalised.
Rental of facilities and equipment	7,131,541	4,511,123	2,620,418	58.09%	The variance is due to the fact that the budget was based on the prior year actual figure.
Interest earned - external investment	19,887,817	2,400,000	17,487,817	728.66%	Budget was based on prior year actual figures.
Interest earned - outstanding debtors	131,268,337	97,754,723	33,513,614	34.28%	This is due to long outstanding debt attracting interests and an increase in interest rates charged by the municipality.
Dividends received	3,854	-	3,854		
Fines	11,942,588	9,521,749	2,420,839	25.42%	Is due to the accrual raised which was not budget for
Licences and permits	2,822	5,200	(2,378)	-45.73%	
Government grants and subsidies	284,768,380	314,372,380	(29,604,000)	-9.42%	
Other income	32,206,799	36,966,383	(4,759,584)	-12.88%	
Gains on disposal of property, plant and equipment	3,973,301	3,000	3,970,301	132343.36%	There was no budget for this line item.
<b>Total revenue</b>	<b>1,730,906,693</b>	<b>1,593,203,446</b>	<b>137,703,247</b>	<b>8.64%</b>	
<b>Expenditure</b>					
Executive and Council	(139,800,384)	72,107,996	(211,908,380)	-293.88%	
Finance and Admin	314,484,145	171,822,308	142,661,837	83.03%	This is as a result of increase of finance personnel, whereby the remuneration is paid through this cost centre.
Planning and Development	25,089,717	26,036,910	(947,193)	-3.64%	
Health	29,833,850	33,762,937	(3,929,087)	-11.64%	
Community and Social services	29,224,333	33,658,023	(4,433,690)	-13.17%	
Housing	10,840,450	9,968,933	871,517	8.74%	
Public safety	54,854,575	57,635,897	(2,781,322)	-4.83%	
Sport and recreation	17,379,763	17,477,828	(98,065)	-0.56%	
Environmental protection	8,451,868	9,429,081	(977,213)	-10.36%	
Waste management	133,029,647	55,311,829	77,717,818	140.51%	Some items does not need budget to expense ( e.g Depreciation and Provision
Road transport	32,285,921	85,740,148	(53,454,227)	-62.34%	
Water	643,295,899	321,817,689	321,478,210	99.89%	Is due to provision write off in the current year
Electricity	441,314,497	436,992,820	4,321,677	0.99%	
Other	89,798,189	139,526,667	(49,728,478)	-35.64%	
Inter-departmental charges	(16,206,338)	(2,966,900)	(13,239,438)	446.24%	This more of journals used and the reconciliation is not done
<b>TOTAL EXPENDITURE</b>	<b>1,673,876,131</b>	<b>1,468,322,166</b>	<b>205,553,965</b>	<b>14.00%</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>57,030,563</b>	<b>124,881,280</b>	<b>(67,850,717)</b>	<b>-54.33%</b>	

## APPENDIX E2

### EMFULENI LOCAL MUNICIPALITY ACTUAL VERSUS BUDGET: ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual	2007 Under Construction	2007 Total additions	2007 Budget	2007 Variance	2007 Variance (underspending)/ overspending %
	R	R	R	R	R	
<b>LAND AND BUILDINGS</b>						
Buildings	-	180,920	180,920	607,100	(426,180)	-70.20%
	-	180,920	180,920	607,100	(426,180)	-70.20%
<b>COMMUNITY ASSETS</b>						
Clinics/hospitals	888,015	-	888,015	1,450,000	(561,985)	-38.76%
Cemeteries	8,503	-	8,503	8,393	110	1.31%
Indoor sports	312,011	-	312,011	364,600	(52,589)	-14.42%
Libraries	28,921	-	28,921	58,700	(29,779)	-50.73%
Paving	654,496	-	654,496	107,700	546,796	507.70%
Outdoor sports facilities	22	-	22	500,000	(499,978)	-100.00%
Fencing	-	-	-	800,000	(800,000)	-100.00%
Security systems	4,525,277	-	4,525,277	4,091,000	434,277	10.62%
Office buildings	117,565	-	117,565	1,496,200	(1,378,635)	-92.14%
	6,534,810	-	6,534,810	8,876,593	(2,341,783)	-26.38%

APPENDIX E3

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: SEGMENTAL ANALYSIS OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual	2007 Under Construction	2007 Total additions	2007 Budget	2007 Variance	2007 Variance	Explanation of significant variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive Council	101,825,580	-	101,825,580	-	101,825,580	0.00%	
Finance and Admin	5,348,192	-	5,348,192	14,088,500	-8,740,308	-62.04%	
Planning and Development	193,572	-	193,572	193,572	0	0.00%	
Health	518,083	-	518,083	1,506,400	-988,317	-65.61%	
Community and Social services	771,816	180,920	952,736	1,315,800	-363,064	-27.59%	
Housing	-	-	-	-	0	0.00%	
Public safety	4,428,477	-	4,428,477	10,964,402	-6,535,925	-59.61%	
Sport and Recreation	312,033	-	312,033	864,600	-552,567	-63.91%	
Environmental protection	73,175	1,971,646	2,044,821	6,932,200	-4,887,379	-70.50%	
Waste management	1,124,742	-	1,124,742	1,480,349	-355,607	-24.02%	
Road transport	9,670,804	9,003,502	18,674,305	32,038,157	-13,363,852	-41.71%	
Water	10,733,383	16,677,790	27,411,173	31,177,158	-3,765,985	-12.08%	
Electricity	5,188,660	10,670,829	15,859,489	23,014,051	-7,154,562	-31.09%	
Other	30,481,613	19,638,119	50,119,732	161,558,581	-111,438,849	-68.98%	
SUBTOTAL	170,670,131	58,142,805	228,812,936	285,133,770	-56,320,834	-19.75%	

APPENDIX F

**EMFULENI LOCAL MUNICIPALITY  
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF THE MFMA  
FOR THE YEAR ENDED 30 JUNE 2007**

	State organ	Quarterly receipts					Quarterly expenditure					Grants and subsidies withheld				Reason for delay	Did your municipality comply the grant conditions in terms of the grant work in Division of Revenue Yes/No	Reason for non-compliance
		Sept	Dec	Mar	June	Total	Sept	Dec	Mar	June	Total	Sept	Dec	Mar	June			
Restructuring grant	National		20,000,000	50,000,000		70,000,000	339,554	113,185	457,681	4,865,980	5,776,400	-	-	-	-	N/A	Yes	N/A
Municipal infrastructure grant (MIG)	Provincial	9,839,992	2,000,000	12,000,000	34,000,000	57,839,992	2,389,087	2,699,061	12,555,142	38,301,002	55,944,293	-	-	-	29,000,000	N1	Yes	N/A
Financial management grant (FMG)	National	500,000				500,000		10,078	180,577	201,327	391,982	-	-	-	-	N/A	Yes	N/A
Provincial health subsidy	Provincial	6,565,504	6,644,889	6,846,536	6,388,943	26,445,872	6,637,642	7,439,024	7,906,036	7,851,147	29,833,850	-	-	-	-	N/A		N/A
Health Conditional Grant	-				2,039,368	2,039,368				19,307	19,307	-	-	-	-	N/A		N/A
Dwaf Grant	National				20,050,380	20,050,380	-	-	-	-	-							
<b>Other grants</b>												-	-	-	-	N/A		N/A
Municipal systems improvement grant		150,000				150,000		12,775	10,353	882	24,010	-	-	-	-	N/A	Yes	N/A
HIV Grant	Provincial				735,000	735,000	1,500	17,421	37,781	253,842	310,544	-	-	-	-	N/A	Yes	N/A
Grant: Libraries	Provincial				185,800	185,800						-	-	-	-	N/A		N/A
Grants Received in Kind					2,730,916	2,730,916					2,730,916							
<b>Total</b>						<b>180,677,329</b>					<b>95,031,303</b>							

The above amount reconciles as follows

Total as above

95,031,303

Add: Equitable Share

193,116,783

Total that should reconcile to Note 14

288,148,086

Total Grant and subsidies as per note 14

284,768,380

Difference

3,379,706 N2

N1

The funds were withheld due to the poor expenditure on the MIG programme.

N2

The difference is due to the fact that what has been received for the Provincial Health Subsidy is not necessarily what has been claimed and income recognised on Sedibeng asset went through to the Statement of changes

## **4.2 AUDITED REPORT OF THE AUDITOR-GENERAL**



A U D I T O R - G E N E R A L

Dr M Bakane-Tuoane Municipal Manager Emfuleni Local  
Municipality P O Box 3 **Vanderbijlpark** 1900

21 December 2007

Reference: TS 98 19611/2

Dear Dr Bakane-Tuoane

### **Report of the Auditor-General on the financial statements and performance information of Emfuleni Local Municipality for the year ended 30 June 2007**

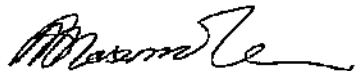
1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004 read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)(MFMA).
2. In terms of section 121 (3) and 127(2) of the MFMA, municipalities have to include the audit report in the municipality's annual report for tabling within seven months after the end of the financial year.

3. Until tabled as required by section 127(2) the report is **not a public document** and should therefore be treated as **confidential**.
4. As your municipality will be responsible for publishing the attached audit report as part of the annual report, you are required to do the following:
- Submit the final printer's proof of the annual report (which includes the audit report) to the relevant audit manager of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature at the end of the hard copy of the audit report should be scanned in when preparing to print the report. The signature Auditor-General in the handwriting of the auditor authorised to sign the audit report, as well as the place and date of signing and the logo should also appear at the end of the report, as in the hard copy that is provided to you. The official logo and the authorised signature will be made available to you in electronic format if required.
5. Fifteen (15) copies of the report must be submitted immediately after printing to the following address:
- Auditor-General  
Att: Parliamentary Manager  
ABSA Investments Campus
- 
- **Auditor-General** Republic of South Africa [www.agsaxo.za](http://www.agsaxo.za)  
POBox91081 Auckland Park 2006 Gauteng Docex 392 Tel: +27 (0)11 276 1800 Fax:+27 (0)11 482 5135
- 61 Empire Road  
**Parktown**  
Block E 1<sup>st</sup> Floor
6. Please notify the Provincial Auditor-General (Business Executive) well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled.



7. Your cooperation to ensure that all these requirements are met would be much appreciated.
8. Kindly acknowledge receipt of this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mangakane Masemola', with a stylized, flowing script.

Mangakane Masemola Business Executive: Gauteng

Enquiries: Ockie Ludick  
Telephone: (011)276-1815  
Fax: (011)482-5135  
Email: [ocktel@agsa.co.za](mailto:ocktel@agsa.co.za)

**REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON  
THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE  
EMFULENI LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007**

**REPORT ON THE FINANCIAL STATEMENTS Introduction**

1. I was engaged to audit the accompanying financial statements of the Emfuleni Local Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, Statement of changes in net assets, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages [xx] to [xx]3.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).  
This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
  - selecting and applying appropriate accounting policies; and
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 (3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit in accordance with the International Standards on Auditing. Because of the matters discussed in the basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

### **Basis of accounting**

4. The accounting policy of the Emfuleni Local Municipality policy is to prepare financial statements on the basis of accounting determined by the National Treasury as set out in accounting policy note 1.

### **Basis for disclaimer of opinion**

#### **Opening balances and comparatives**

5. In the audit report for the year ended 30 June 2007, I was unable to express an opinion on the financial statements due to insufficient audit evidence. As the municipality was still in the process of addressing these matters, I was unable to verify the opening balances and comparatives.

### **Long term liabilities**

#### **Leases**

6. During the prior year, the municipality entered into a number of lease agreements with various service providers. While the municipality intended to enter into operating leases, the actual lease agreement was not evaluated against the accounting standard IAS17 (AC105) leases, to confirm the substance of the transaction in determining the appropriate accounting treatment.

A review of these lease agreements identified that these were finance leases and not operating leases. The total value of leased assets was R20 510 237. Due to insufficient information in the lease agreements, the municipality was unable to make the necessary amendments to capitalise the assets. Property, plant and equipment, and lease liabilities were therefore understated. Depreciation and rental expenditure were overstated while VAT and interest expense were understated.

Furthermore, the municipality did not disclose its leased assets as required by IAS17 (AC105).

## **Provisions**

7. The municipality did not raise a provision for the rehabilitation of the land fill sites. Therefore, liabilities and property, plant and equipment were understated.

## **Value added tax (VAT)**

### **VAT liability**

8. As reported previously, due to incorrect systems configuration the VAT liability on prepaid electricity was incorrectly accounted for. The incorrect systems configuration again resulted in the understatement of the VAT liability and the overstatement of revenue. The cumulative impact of the error could not be quantified.

### **Unreconciled differences**

9. An unreconciled difference of R1 015 519 between the VAT 201 forms and the VAT control accounts was identified. Furthermore, the VAT control debtors account exceeded the VAT debtors income account by an unexplained difference of approximately R1 438 873. The completeness and valuation of VAT liability could not be verified.

## **Property, plant and equipment**

10. The following matters were identified:
  - Accumulated depreciation was understated by approximately R41 112 329 as a result of prior period errors.
  - Supporting documentation for assets capitalised amounting to R4 645 384 could not be provided for audit purposes. The existence and valuation of these assets could not be confirmed.
  - » Included in an auctioneers list were proceeds on sale of redundant assets amounting to approximately R1 138 972. Due to inadequate descriptions in the fixed assets register, I could not determine whether the fixed asset register was

## **Revenue**

16. The municipality could not provide supporting documentation for journals amounting to approximately R9 973 790 which were processed to the service income account. Accordingly, I could not confirm the accuracy, completeness as well as the classification of these journals.
17. During the year under review, the municipality lost data pertaining to pre-paid electricity as a result of a power failure. Due to a lack of a disaster recovery plan, there was no data back-up for the pre-paid electricity system. Therefore, data to support revenue transactions amounting to approximately R21 033 420 was lost. Although management indicated that the pre-paid system was reconciled to the general ledger and the data loss occurred after the batch transactions were captured into the accounting system, I was unable to determine the occurrence and accuracy of the pre-paid electricity revenue as the source data was lost.
18. The municipality could not provide supporting documentation for 1 818 kilowatts of electricity billed. According to the tariffs linked to the various charge codes, the maximum of electricity thus under-billed could amount to approximately R10 354 119. Therefore, the completeness of revenue could not be confirmed.

## **Cash flow statement**

19. The municipality could not reconcile its cash flow statement. Included in note 22 to the annual financial statements was an unreconciled difference of R8 388 006. Management could not substantiate this amount. Consequently, I could not confirm the classification and accuracy of the cash flow statement.

## **Capital commitments**

20. The municipality did not have adequate procedures to ensure that all capital commitments were recorded and disclosed in the financial statements. Consequently, I could not confirm the completeness and disclosure of contractual commitments.

## **Disclaimer of opinion**

21. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have been unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of Emfuleni Local Municipality. Accordingly, I do not express an opinion on the financial statements.

## **Emphasis of matters**

I draw attention to the following matters:

### **Significant uncertainty**

#### **Value added tax**

22. During the 2006 calendar year a number of changes were made to the Value-Added Tax Act, 1991 (Act No. 89 of 1991) (VAT Act) that materially affected the business of municipalities- Government Gazette No. 29741 (paragraph 2), required municipalities to update their accounting processes for output tax and submit the revised VAT returns to the South African Revenue Services (SARS) by 30 June 2007. The recalculated VAT liability was to be included in the VAT return for the period ended 30 June 2007. The municipality only reported the above revised VAT calculations in the VAT 201 for July 2007. This would result in the municipality incurring penalties for the late submission and interest on the outstanding VAT liability.

Furthermore, the municipality did not update its VAT returns for the last three months of the 2006/2007 financial year as the VAT review for this period was not finalized. Due to the nature and extent of the VAT review required, I could not quantify the possible adjustment.

#### **Contingencies**

23. Included in Note 25 to the financial statements, was a contingent liability amounting to approximately R183 060 288 supported by related contingent assets amounting to approximately R117 399 999. While the municipality correctly disclosed these contingencies, I was unable to determine if this would be realized, as the efforts of the municipality to resolve this matter were to date unsuccessful.

#### **Basis of accounting**

24. The National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of Government Notice 522 of 2007 issued in Government Gazette No. 30013 of 29 June 2007.

## **OTHER MATTERS**

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

### **Non-compliance with legislation**

#### 25. Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)

- As reported in the 2004/2005 and 2005/2006 audit reports, the municipality refinanced a loan of R20 000 000 contrary to section 46 of the MFMA. This matter was not resolved at the date of this report.
- The municipality incurred fruitless and wasteful expenditure amounting to approximately R112 108. The municipality did not have controls in place to identify and record fruitless and wasteful expenditure. Consequently, I could not confirm the completeness of fruitless and wasteful expenditure.
- Contrary to section 126(2)(b) of the MFMA, the finalisation of the audit was delayed due to the late submission of accounting adjustments to the financial statements.

#### 26. Value-Added Tax Act, 1991 (Act No 80. of 1991) (VAT Act)

- The VAT Act requires that an entity maintains adequate accounting records in support of its VAT claims. As reported previously, the income from exempt supplies was not disclosed on the VAT 201 forms. I could not trace income from exempt supplies to the accounting system due to the inability of the system to produce a report on income from exempt supplies.
- The municipality incorrectly claimed input tax on subsistence allowances to employees.
- Section 20(4) of the VAT Act requires all invoices to clearly identify the VAT status of the transactions. Contrary to section 20 of the VAT Act, the statements for consumers did not reflect the VAT status (exempt, standard rated or zero rated) of transactions.

27. Income Tax Act, 1962 (Act No. 58 of 1962) (Income Tax Act)

Section 8 of the Income Tax Act requires all fringe benefits to be included in the calculation of taxable income. Contrary to this, the municipality did not calculate fringe benefits tax on cell phone allowances. The total allowances and tax amounted to approximately R20 640 and R8 256, respectively. Furthermore, the Fourth Schedule of the Income Tax Act was not complied with in respect of the declaration of employee allowances in the 1RP5.

28. Investment contrary to Regulation 8200

Included in Note 7 to the annual financial statements was a listed investment amounting to R 55 000. This investment was in contradiction with Regulation 8200 of the Government Gazette (Vol. 478, 1 April 2005).

**Material corrections to the financial statements submitted for audit**

29. The financial statements approved by the accounting officer and submitted for audit on 31 August 2007, have been significantly revised in respect of the following misstatements identified during the audit:

- Errors in the calculation of the leave accrual resulted in the overstatement of leave accrual and staff expenses by R21 071 633.
- The liability for the 13<sup>th</sup> cheque payable to employees amounting to approximately R7 380 737 was not accrued for. This resulted in accruals and staff costs being understated by R7 380 737.
- Errors in the water stock calculation resulted in the water stock being overstated by R18 533 640.
- Short term liquid call deposits amounting to approximately R98 101 188 were reclassified from investments (non-current assets) to call investment deposits (current assets).
- Expenses amounting to approximately R9 999 108 were incorrectly set off against creditors resulting in an understatement of expenses and creditors.
- Income and debtors were overstated due to unsubstantiated insurance income amounting to approximately R11 594 000.
- Adjustments were made to the opening accumulated surplus. This resulted from the municipality accounting for water stock, traffic fines and adjusting the prior year debtor's impairment provision.



## Human resources matters

30. The municipality had a large number of vacancies which resulted in an underspending in employee related costs by approximately R28 million.

## Internal control

31. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting Item Ba'M tor ill jc'ain Opening balances and comparatives	Control environment vjr ol opinion	Assessment of risks	Control activities X	Information and communication	Monitoring X
Leases			X		X
Provision			X		X
VAT			X		X
Property, plant and equipment			X		X
Debtors			X		X
Revenue			X		X
Cash flow statement			X		X
Capital commitments	X				
Emphasis of matl	tor			X	
Significant uncertainties					

Highlighting matters affecting the financial statements	X				X X
<b>Other matters</b>					
Non-compliance with applicable laws and regulations					
Material corrections to the financial statements			X		X
Value for money matters	X				

### **Control environment**

32. The entity did not establish the key elements of a control environment to achieve sound financial management. This resulted in an inadequate level of skills and knowledge required to accurately prepare financial statements in accordance with the applicable basis of accounting, which in turn gave rise to the qualifications as well as many corrections to the financial statements resulting from matters reported. The municipality had a large number of vacancies.

### **Control activities**

33. The effectiveness of control activities over business and accountancy processes was not adequate. This is evident from the matters reported relating to creditors, properly, plant and equipment, consumer debtors, other debtors, property, plant and equipment, as well as revenue. Comprehensive policies and procedures did not exist with respect to the management of property, plant and equipment. The municipality also lacked documented policies and procedures in a number of areas as well as an adequate document management system. Related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

43. i believe that the evidence i have obtained is sufficient and appropriate to provide a basis for the audit findings.

## **Audit findings**

### **Non-compliance with regulatory requirements**

44. Contrary to Regulation 7 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 the municipality did not have a formal organisational performance management system in place for the year under review. Accordingly, the municipality could not comply with the requirements of Regulation 7 and 13.
45. Due to a lack of a formal organisational performance management system internal audit was unable to perform its function in terms of Regulation 14(1)(b).
46. in the absence of appropriate audit evidence, I was unable to confirm that the community was given 21 days notice prior to the municipality adopting the final IDP, as required by Regulation 15.
47. Contrary to Regulation 9(1), the key performance indicators (KPI's) was not split into the following components:
- Input indicators - measures cost, resource and time used to produce output;
  - Output indicators - measures results of activities, processes and strategies of the program; and
  - Outcome indicators - measures quality and or impact of achieving the particular objective.

### **Measurable objectives not included in its service delivery and budget implementation plans (SDBIP)**

48. The SDBIP did not include the following measurable objectives:
- overall job creation targets;
  - recruitment targets for members of previously disadvantaged groups;
  - spending in respect of the workplace skills plan;
  - capital expenditure as a key performance indicator; and
  - key financial viability ratios such as debt coverage, outstanding service debtors to revenue and cost coverage.

### **Measurable objectives not consistent**

49. With respect to the tourism sub-department that was reviewed, I have identified the following matters which impact on the consistency of the reported performance information:
- » Certain outputs did not have a measurable key performance indicator;
  - The planned and actual performance information as disclosed was not specific and adequately defined. Accordingly, this could not be validated;
  - The reasons for deviation from planned performance were not disclosed; and
  - Performance objectives not within the span of control of the municipality were included in the SDBIP.

## APPRECIATION

50. The assistance rendered by the staff of Emfuieni Local Municipality during the audit is sincerely appreciated.

*Auditor-General*

Johannesburg

21 December 2007



AUDITOR - G E N E R A L

# CHAPTER 5

## FUNCTIONAL AREA

## SERVICE DELIVERY

## REPORTING

## **5.1 ANNUAL PERFORMANCE REPORT**



***ANNUAL REPORT  
JULY 2006 to JUNE 2007***

***CLUSTER: ENGINEERING SERVICES***



***ANNUAL REPORT 2006/07***

***ENGINEERING SERVICES: ELECTRICAL DEPARTMENT***

88Kv



VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Provision of electricity to all consumers	Transformer Repairs	Nr. of Transformers Repaired	5	4	
	Transformer Oil Service	Nr. of Transformers Serviced	20	1	Report received too late and funding insufficient
	Tap Changer Service	Nr. of Tap Changers Serviced	6	5	
	Circuit Breaker Service	Nr. of Circuit Breakers Serviced	39	10	Only the critical units were identified and serviced
	Isolating Links Service	Number of Isolating Links Serviced	39	0	Most units were serviced during the previous year
	Batteries and Chargers	Nr. of Sub Stations Serviced	20	5	Only identified banks were serviced
Provision of electricity to all consumers	Replace 11kV cables Central Sub VDB	% of Cables Replaced	24	24	
	Emergency Maintenance And Repairs (Lines)	% on budget spent for emergency Maintenance And Repairs (Lines)	100%	100%	
<b>TOTAL BUDGET</b>			R1 527 000	R1 509 854	

## RURAL

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Provision of electricity to all consumers	11kV breaker Maintenance	Number of Breakers Serviced	16	16	
	Replace Auto Reclosers	% of budget spent to replace Auto Reclosers	100%	50%	Insufficient funding
	Replacing Lightning Arrestors	Number of sites where Arrestors were Replaced	55 Sites	0	Insufficient funding
	Daily Maintenance and Repairs	% on budget spent	100%	100%	
<b>TOTAL BUDGET</b>			R 650 000	R649 814	

#### URBAN 11KV – 400V

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Provision of electricity to all consumers	Pillar box maintenance	Nr. of pillar boxes serviced	200	212	
	Transformer / Sub maintenance	Nr. of transformers / Subs serviced	5	19	
	Service 11 kV circuit breaker	Number of 11kV breakers serviced	50	22	Insufficient funding
	Replace overhead lines	Length of bare copper overhead lines replaced	6500 m	7 479m	Mostly done to restore system after infrastructure theft
	Trimming of trees in overhead lines	800 trees to trimmed	800	106	Only serious problem areas were targeted
	Replacement of rusted and broken transmission poles	Number of transmission poles replaced	36	12	Only reported damaged poles were attended to
	Daily maintenance and repairs	Repair faulty and broken down electrical network ( % of funding spent)	100 %	110,8%	
<b>TOTAL BUDGET</b>			R2 850 000	R3 160 742	

## PUBLIC LIGHTING

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Provision of efficient public lighting	Batch lamp replacement on secondary roads	Number of lamps replaced on secondary roads	6000	6 750	
	Batch lamp replacement on primary roads	Number of lamps replaced on primary roads	2000	1 522	Shortage of resources (Vehicles)
	Replacement of street light fittings on secondary roads	Number of street light fittings replaced on secondary roads	1125	1 217	
	Replacement of street light fittings on primary roads	Number of street light fittings replaced on primary roads	300	266	
	Install insulated conductor	Length of insulated conductor installed	15000 m	3 500m	Material was used to replace stolen service connections
	Replace broken street light poles	Number of broken street light poles replaced	50	137	Utilized contractor to assist
<b>TOTAL EXPENDITURE ON BUDGET</b>			R1 900 000	R1 744 282	

**HIGH MAST LIGHTING**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Provision of efficient public lighting	High masts repairs	Number of high mast lights repaired	266	240	Delay in procurement processes to attend to some problems
	Daily maintenance and repairs	Daily maintenance and repairs (% of budget spent)	100%	96,92%	
<b>TOTAL BUDGET</b>			R640 000	R451 877	

**OPERATIONAL BUDGET 2006/2007 – PROTECTION, TEST & METERING**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Enhancement of elec. related income	Audit/ Replacement of Electricity Meters	Numbers of meters audited and replaced	2400	23 817	Huge effort to audit most residential meters (all types)
<b>TOTAL BUDGET</b>			R1 460 000	R 1 564 086	

**OPERATIONAL BUDGET 2006/2007 – PROTECTION, TEST & METERING**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Maintenance of electricity distribution system	Protection Testing of 88Kv Panels	Number of panels tested	15	7	Order was placed but majority only executed during 200708
	Testing of cable faults	Percentage of budget spent	100%	100%	
	Test and repair Pilot cable faults	Number of pilot cables repaired	20	3	Only identified faults attended to
	Daily repair and maintenance	% of budget spent	100%	45%	Limited resources
<b>TOTAL BUDGET</b>			R640 000	R266 176	

**OPERATIONAL BUDGET 2006/2007 – TRAFFIC LIGHTS**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Maintenance of traffic signal lights	Replacement of Traffic lamps	Number of lamps replaced	13400	2 833	Target value overstated
	Replacement of Traffic visors	Number of visors/back-boards replaced	6700	123	Target value overstated
	Replacement of Traffic controllers	Number of controllers replaced / repaired	6	252	
	Replacement of Traffic heads	Number of heads replaced	36	71	

<b>TOTAL BUDGET</b>	R700 000	R246 828	
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**CAPITAL BUDGET 2006/2007**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL BUDGET	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
				ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
% of projects completed	Upgrade of 11kV network in SW 5 and Rural areas	R9 610 566	% of project completed	100%	50%	Late award of tenders, funds rolled over to 07/08
				R4 610 566	R1 772 180	
	Upgrade of 11kV network in Three Rivers	R5,989 825	% of project completed	100%	7%	Late award of tenders, funds rolled over to 07/08
				R2,989 825	R975 080	
	Installation of bundle conductors	R4,500,000	% of project completed	100%	100%	
				R2 16 935	R1 688 022	
	Electricity Master-plan	R1,000,000	% of project completed	70%	30%	Late award of tender
				R500,000	R0	

**CAPITAL BUDGET 2006/2007**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL BUDGET	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
				ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
% of projects completed	Replacement of Stolen network Riverbend Garden	R2,100,000	% of project completed	100%	100%	
				R600,000	R518 920	
	Unforeseen Network & Connections	R7 566 700	% of project completed	100%	100%	
				R2,791 700	R2 190 977	
	Evaton West High masts (MIG FUNDING) 30% Counterfunding (38 H/mast)	R3,400,000	% of project completed	100%	60%	Late approval of funds and delays in procurement process
				R3,400,000	R2 953 846	
	Evaton small farms High masts (MIG FUNDING) 30% Counterfunding (38 H/mast)	R3,400,000	% of project completed	100%	70%	Late approval of funds and delays in procurement process
				R3,400,000	R2 841 977	
	Sharpeville high mast Lighting	R3,400,000	% of project completed	100%	60%	Late approval of funds and delays in procurement process
				R3,400,000	R2 069 017	



# **CAPITALING BUDGET 2006/2007**

VOTE DESCRIPTION: ELECTRICITY MAINTENANCE

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL BUDGET	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
				ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
% of projects completed	Upgrade 11kV rural network	R377 300	% of project completed	100%	0%	Project rescheduled for 2007/08
				R377 300	0%	
	Capital Items	R1 175 300	% of project completed	100%	45%	Late approval of funding
				R1 175 300	R542 727	
	Replace Munic Isolators	R858 579	% of project completed	100%	100%	
				R858 579	R842 435	
	Public Lighting Debonair Park	R138 905	% of project completed	100%	55%	
				R138 905	R49 100	



***ANNUAL REPORT 2006/07***

***ENGINEERING SERVICES: WATER & SANITATION DEPARTMENT  
METSIA-A-LEKOA***

VOTE DESCRIPTION: MAINTENANCE OPERATING

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
	Fresh Water Pump Stations	Electrical Inspection Mechanical Inspection	12	17	
	Sewer Pump Stations	Electrical Inspection Mechanical Inspection	60	6695	Contractor and Maintenance Section inspections combined
	Sebokeng Water Care Works	Electrical Inspection Mechanical Inspection	800	1612	Planned Maintenance started 1 Nov
	Leeuwkuil Water Care Works	Electrical Inspection Mechanical Inspection	520	1438	Planned Maintenance started 1 Nov
	Rietspruit Water Care Works	Electrical Inspection Mechanical Inspection	520	817	Planned Maintenance started 1 Nov
<b>TOTAL BUDGET</b>			100%	83%	Shortage of personnel
PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Maintenance	Number of sewers unblocked	8,000	9134	Necessary equipment and resources provided
		Number of manhole lids replaced	120	94	Need achieved
		Number of manholes repaired	150	72	Need achieved
		Length (km) sewers cleaned	200	101	Shortage of personnel
	Existing Network Upgrading	Length (km) sewers replaced	2	21.34	External service providers used
	Clearing of blocked sewers	Response time in days	1	1	Necessary equipment and resources provided

## VOTE DESCRIPTION: WATER

## CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAIN-ABLE SERVICE DELIVERY	Failure to cleared sewer blockages within time limit	Number of sewer blockages not cleared within time limit set to unblock sewers	340	170	Availability of vehicles increased
	Maintenance	Number of pipe leaks repaired	4300	5133	Number of pipe leaks more than anticipated
		Number of meter leaks repaired	1500	1958	More leaks reported
		Number of valve/FH leaks repaired	320	253	Less reported leaks
		Number of meters replaced	1000	686	Meter stock shortage
		Number of works orders completed	800	526	Building maintenance now done by private sector
		Number of requests for meter maintenance	3000	2457	Reduced requests for meter maintenance
	Existing network upgrading	Length of water pipe replaced in meters	0	0	
	Provide safe drinking water	Number of water samples for testing to SANAS	144	141	
	Household water connections	Number of new water connections	300	367	More applications received
	Installation of industrial/ business water connections	Number of connections	32	47	More applications received
	Water demand management	Percentage saved on water purchased	12%	16%	Improved saving due to water demand

VOTE DESCRIPTION: WATER CARE WORKS

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAIN-ABLE SERVICE DELIVERY	Comply to license requirement	% Compliance	80%	85%	Upgrade of Leeuwkuil Works
	Budget Control	% Spent	100%	100%	
	Flow control	190 MI / Day	6935000 MI	6935000 MI	



***ANNUAL REPORT 2006/07***

***ENGINEERING SERVICES: ROADS & STORM WATER***

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Tar Road Rehabilitation	m² of tar road rehabilitated	372	11164	Shortage/ inadequate supply of Hot Mix Cold Bagged Premix, certain depots concentrated on rehabilitation work
	Tar Road Patching (Small)	Number of potholes repaired	34932	34078	
	Tar Road Reseal (Conventional)	Km of existing tarred roads resealed	40	35	Increase in prices resulted in lesser roads resealed
	Gravel Road Blading / Grading	Km Gravel roads graded	192	242.1	
	Gravel Road – Rip, Shape & re-compact	Km Gravel Road – Rip, Shape & re-compacted	132	178.8	
	Gravel Road Re-gravel	Km Gravel Road Re-gravelled	28	162.6	Increase equipment hiring.
	Traffic Signs	No of signs (re) placed	640	1077	

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Road Markings	m² road marking painted	14100	8382	Late delivery of material from suppliers
	Street Names	No of street names replaced / reinstated	160	601	Shift of capacity of staff due to delivery of material
	Barriers	Meter barriers replaced / reinstated	200	524.4	Various accidents occurred in the area, damaging more barriers than was programmed for.
	Cleaning of Catchpits	No of catchpits cleaned	2000	5499	
	Cleaning of stormwater pipes	Km stormwater pipes cleaned	3	4.9	
	(Re)building of catchpits & manholes	No of catchpits & manholes (re) built	200	258	
	Cleaning concrete canals	Km concrete canals cleaned	2	11.3	
	Cleaning of gravel canals	Km of gravel canals cleaned	6	8.6	

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES



Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Bophelong Ext 11 & 12 Stormwater	% completion	100%	5%	A consultant has been appointed to compile a storm water management plan that will be completed in the 07/08 financial year.
	Bophelong Ext 17 Stormwater	% completion	100%	5%	A consultant has been appointed to compile a storm water management plan that will be completed in the 07/08 financial year.
	Stormwater Canal in Jet Nteo School	% completion	100%	70%	This project is done by PMU, went out on RFP and will be completed during 07/08
	Western External Stormwater Drainage	% completion	100%	48%	Tender was awarded and the contractor completed the project
	Deboinairspark Stormwater Management plan	% completion	100%	0%	Waiting Approval from MIG on business plan application
	Upgrade & relocation of stormwater pipes in Sullivan St.**	% completion	100%	0%	Wasn't approved as part of the adjustment budget, thus unfunded.
	Upgrade & relocation of stormwater pipes in Schoeman St.**	% completion	100%	0%	Unfunded project
	Rahabilitation of embankment in Suikerbosch River **	% completion	100%	0%	Unfunded project
	Installation of Storm water pipe Seb Zone 11 Stand 14407	% completion	100%	35%	This project is done by PMU, went out on RFP and will be completed during 07/08
	Labor intensive construction of certain roads in Mantevred A.H. area.	% completion	100%	25%	The balance of the (14%) will be completed during 07/08

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Roads and Stormwater Master Plan	% completion	100%	40%	Te appointed consortium experienced major problems with the existing cadastral information from the Land Surveyor General and had to change all the survey information of the existing 250 000 stands in the area in order to have the correct base information to work from.
	Dr. Nkomo st in Boipatong	% completion	100%	27%	The tender will be completed during 07/08
	Kader Asmal rd. in Bophelong	% completion	100%	45%	Project has been completed
	Amatola Road in Boipatong	% completion	100%	27%	The tender will be completed during 07/08
	Dr Nkomo - Delfos Link	% completion	100%	18%	The tender will be completed during 07/08
	Qamata Road	% completion	100%	45%	Project has been completed
	Resealing od Existing roads - Labmax Way ( Multiyear R 9,000,000)*	% completion	100%	25%	A total of 30 km was identified to be resealed with this project but the condition of roads is so bad that cost of patching of these roads is having an impact on the cost and total outcome of the project. Only 25.5km of road could be upgraded.
	Cradock Road Section 3 Phase 2 (Tender 72/205)	% completion	100%	100%	Project was completed on 31 October 2006.

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Frikkie Meyer Blvd/Verdi St/Macowen St Upgrade	% completion	100%	3%	Funds were re allocated to purchase capital items
	Schoeman St/Beethoven St/Delius St	% completion	100%	0%	Unfunded project
	Rossini Blvd Rehabilitation	% completion	100%	0%	Unfunded project
	Helena Lochner St/Conradie St	% completion	100%	0%	Unfunded project
	Gen Smuts Road/Nile drive	% completion	100%	0%	Unfunded project
	Annual Reseal	% completion	100%	95%	A total of R23 million was supposedly to be made available for this in the 06/07 financial year and the increase of 10% in properties taxes was motivated to fund this. Instruction was given by the MM end Nov 2006 that the funds must be provided, which didn't realised and it was said it will be corrected with the adjustment budget. This was how ever rejected by the CFO after instruction that the SMES and the CFO must sort it out.. Only R20.5million is available. Tenders was awarded a month late due to no Bid Adj Meeting for 1 month. Project started 16 April 07 but has been completed successfully.

VOTE DESCRIPTION: ROADS AND STORMWATER

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promote Social and Economic Development Providing and Improving quality and quantity sustainable service delivery	Road Marking	% completion	100%		Not funded on approved budget
	Pavement Management System Tar Roads	% completion	100%		Reallocation of funds
	Road Marking	% completion	100%		Unfunded project
	Annual Reseal	% completion	100%	95%	A total of R23 million was supposedly to be available for this project in the 06/07, financial year and the increase of 10% in property taxes was motivated to fund this. Instruction was given by the MM end Nov 2006 that the funds must be provided, which did'nt realised and it was said it will be corrected with the adjustment budget. This was how ever rejected by the CFO after instruction that the SMES and the CFO must sort it out. .Only R20.5million is available. Tenders was awarded a month late due to no Bid Adj Meeting for 1 month. Project started 16 April 07 but has been completed successfully.



## ***ANNUAL REPORT 2006/07***

### ***ENGINEERING SERVICES: FLEET MANAGEMENT***

VOTE DESCRIPTION: FLEET MANAGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To ensure better service delivery	Repair and maintenance of vehicles and equipment	% Availability of vehicles and equipment	Availability to reach 80 %	70%	Upgrading of Mechanical Workshop still to be done. Tender to be adjudicated in October 2007.
	Renewal of vehicles and equipment to meet acceptable norms in industry	Number of vehicles and equipment renewed	230	230	
	Training of employees in driving skills as well as maintenance of vehicles and equipment	Number trained	300	450	
	Workshop Management, Configuration, Software integration, Project management	Turn-around time	80% of Norm	35%	Electronic Workshop Management System implemented at the end of May 2007. Full implementation targeted for end of November 2007.
	On-board computers, Configuration, Software integration, Project management	Vehicle control and vehicle utilizations	90%	0%	Installation started July 2007 and should be completed by end of November 2007.
	Fuel Management Configuration, Software integration, Project management	Stock control and consumption	Industry Norm	0%	Installation started in July 2007 and completed in August 2007.



## ***ANNUAL REPORT 2006/07***

### ***ENGINEERING SERVICES: WASTE MANAGEMENT***

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Vote 5505/01 Administration	Provide Administrative back up to ensure 100% service delivery to communities (100% of total expenditure of vote 5505/01)	100%	87,92%	Low expenditure due to all critical vacancies not filled as yet
	Vote 5505/02 <u>Household collection:</u> 83.5 % (132 800) Households serviced with sustainable weekly refuse removal services	Refuse collection & removal services: 76% of total expenditure of vote (excluding bad debts)	100%	99,77%	
	Vote 5505/02 <u>Business collection:</u> Provide 1 076 business stands with sustainable daily refuse removal services	Refuse collection & removal services: 16% of total expenditure of vote (excluding bad debts)	100%	98,82%	
	Vote 5505/02 Removal of illegal dumps (100,000 cubic metres of waste in respective wards)	Remove 20% of backlogs:	100%	98,82%	

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES



Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Vote 5505/03 Mini dump transfer stations (4 existing)	Mini dump transfer stations (100% of total expenditure of vote 5505/03)	100%	104,88%	Over expenditure: Transport vote
	Vote 5505/04 Provide daily cleansing of CBD's, main roads and sensitive areas	Street sweeping areas and functions (92% of total expenditure of vote 5505/04)	100%	102,65%	
	Vote 5505/04 Provide daily cleansing of public toilet facilities	Public toilet cleansing facilities (8% of total expenditure of vote 5505/04)	100%	102,65%	
<b>Landfill Management:</b> PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Vote 5506/01 <u>Zuurfontein landfill:</u> Audit and maintain closed site	Based on license requirements, maintain facility (100% of total expenditure on vote 5506/01)	100%	98,55%	

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Landfill Management:</b> PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Vote 5506/02 <u>Boitshepi landfill:</u> Provide daily capacity for waste disposal	Contractual commitments and operational issues (100% of total expenditure on vote 5506/02)	100%	86,75%	Invoices for June 2007 paid in 07 / 08 financial year
	Vote 5506/03 <u>Palm Springs landfill:</u> Provide daily capacity for waste disposal	Contractual commitments and operational issues (100% of total expenditure on vote 5506/03)	100%	85,04%	Invoices for June 2007 paid in 07 / 08 financial year
	Vote 5506/04 <b>Waldrift Landfill</b> Provide daily capacity for waste disposal	Contractual commitments and operational issues (100% of total expenditure on vote 5506/04)	100%	99,92%	

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Landfill Management:</b> PROVIDING AND IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Collection and transport	Eradicate backlogs of 22 500 households (Need 1 250 340) operational funding additional to appoint 30 labourers on job level 21.	100%	100%	
	Eradicate illegal dumps	Remove 100,000 cubic metres of accumulated waste in all areas	20%	41,18%	Effective utilization of vehicles and resources resulted in increased of areas cleaned
	Manage contracts of operational mini dump transfer stations based on operational plan of license requirements	100% Contractual operational commitments based on individual approved licenses	20%	0%	No budget provided to commence with license and contractual commitments
	Manage contracts of operational landfills based on operational plan of license requirements	100% Contractual operational commitments based on individual approved licenses	20%	5%	All permits for operations pending. Only Zuurfontein site received R.O.D. issued by GDACE
	Vote 551010 Maintain closed cemeteries	Contractual (100% of total expenditure on vote 5510/10)	100%	15,35%	The operational unit was only established late in the financial year and could therefore not spent all operational allocations

## CAPITAL BUDGET

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET	KEY PERFORMANCE INDICATOR (Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING & IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Backlog in sustainable services	5,6 & 28 (Bophelong focus & Evaton west)	R4 050 000 per annum.	% of 22 5000 existing backlog to be eradicated.	100% First year 2 000 000	107,50%	Backlogs eradicated with EPWP only – (formal housing)
	Implement services for Vereeniging and previous HDI	All Wards excluding 4,5,9,10 & 25	Part of operational budget (vote 5505/02) Business collection	Implement 100% services in Vereeniging	100%	25%	Shortfall of personnel (critical vacancies) and vehicles
	EXPW program: Enhance visible clean areas	All Wards	Part of operational budget (Vote 5505/02)	See vote 5505/02: operational for illegal dump collection	100%	100%	Effective utilization of vehicles and resources resulted in increased of areas cleaned

## CAPITAL BUDGET

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET	KEY PERFORMANCE INDICATOR (Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROVIDING & IMPROVING QUALITY & QUANTITY SUSTAINABLE SERVICE DELIVERY	Develop masterplan for waste & landfill issues	All Wards	550 000	100% of completed masterplan	100%	67,82%	Additional funding not approved as yet
Develop new general waste landfill site	Licence and construct new landfill site	2,3,5,6,7,8,9,10,16,17,22,27,28,30,31,32,34,36	54 595 000 (MIG approved as multi year project)	% completion of developed landfill site	2%	1,14%	<b>Await for GIS updated Information to commence With alternative site Identification process</b>
Boitshepi Landfill site	Close & rehabilitate landfill site	2,3,5,6,7,8,9,10,16,17,22,27,28,30,31,32,34,362	34 931 880	Once consultant appointed, TOR will be measuring tool	5%	1,32%	Consultants appointment process was only finalized during March 2007

## CAPITAL BUDGET

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET	KEY PERFORMANCE INDICATOR (Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Palm Springs Landfill site	Obtain permit & develop landfill site (multi year)	18,19,20,23,26,29,40	1 105 000 MIG app. (7 500 000 not app.)	% completion of developed landfill site	8%	0%	R.O.D. nor License not received yet
Waldrift Landfill site	Obtain operating permit & rehabilitate phase 2	1,4,8,11-16,21	7 529 600	% Completion of permit application submitted and phase 2 rehabilitated	%	19,64%	Multi year project, phase 3B construction completed 30 June 2007
Develop new mini dump transfer station	Obtain permit & develop new mini dump transfer station	3,4,5,6,7,9,10,25	3 500 000	% Completion of developed transfer station	0	0	MIG business plan submitted, not Approved yet
Zuurfontein landfill site	Rehabilitate site	3,4,5,6,7,9,10,25	5,937,690	% Completion of site	100%	26,78%	Outstanding issues (R.O.D. requirements) to be dealt with in a separate contract from closure process

VOTE DESCRIPTION: WASTE & LANDFILL MANGEMENT

CLUSTER: ENGINEERING SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
SUPPLY FENCING TO ALL CLOSED AND OPERATIONAL CEMETERES	Evaton – 5000m	Meters installed within a month	100%	100%	
	Pelandaba – 2500m		100%	100%	
	Vuka Cemetery – 2500m		100%	100%	
HIGH MAST LIGHTING	Install High mast Lights in:	Total of high mast lights installed in 3 cemeteries - 27			
	• Evaton – 12 High Mast		100%	0%	Allocation of MIG funding insufficient to accommodate the installation of high-mast lightning for the current financial year
	• Pelandaba – 7 High Lights		100%	0%	
	• Vuka – 8 High Mast		100%	0%	



## ***ANNUAL REPORT 2006/07***

### ***ENGINEERING SERVICES: PUBLIC WORKS***

VOTE DESCRIPTION: PUBLIC WORKS:

CLUSTER: ENGINEERING SERVICES



# BUILDING CONTROL SECTION

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Continuous improvement of quality and quantity of service delivery	1. Handling of building plans submitted.	1.1 % of building plans considered.	100%	100%	
		• Number of plans received.		942	
		• Value of plans received.		R323 649 700	
		1.2 Building plans less than 500m <sup>2</sup> approved/rejected within 21 days	40%	20,14%	
		Average approval period of plans (days/plan)		45	
		1.3 Building plan exceeding 500m <sup>2</sup> approved/rejected within 30 days	30%	0%	
		Average approval period of plans (days/plan)		58,45	
	2. Building Inspections of building activities in respect of approved plans	% of building inspections requested	100%	100%	
		Number of inspections executed		1 774	

VOTE DESCRIPTION: PUBLIC WORKS:  
BUILDING MAINTENANCE & PROJECTS

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Creating conditions conducive for Entrepreneurship & job creating	Maintenance of Council Buildings to be healthy, safe & esthetical acceptable	% target of budget	100%		
		Value of Budget	R1 056 051		
	Project Management of the erection of Council Buildings	% of client Departments implementation plan	100%		
	• Completion of Evaton Library	Planning:	100%	100%	
		Tender:	100%	100%	
		Construction:	100%	100%	
	• Cemeteries Fencing – Evaton	Planning:	100%	100%	
		Tender:	100%	100%	
		Construction:	100%	100%	
	• Cemeteries fencing – Sharpeville	Planning:	100%	100%	
		Tender:	100%	100%	
		Construction:	100%	100%	

VOTE DESCRIPTION: PUBLIC WORKS:  
BUILDING MAINTENANCE & PROJECTS

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Creating conditions conducive for Entrepreneurship & job creating	<ul style="list-style-type: none"> <li>Renovations of Municipal Court – Phase 1</li> </ul>	Planning:	100%	100%	
		Tender:	100%	100%	
		Construction:	100%	100%	
	<ul style="list-style-type: none"> <li>Concrete palisade fencing Mini dumps</li> </ul>	Planning:	100%	100%	
		Tender:	100%	100%	
		Construction:	100%	100%	
	<ul style="list-style-type: none"> <li>Renovations of Municipal Court – Phase II</li> </ul>	Planning:	100%	100%	Additional work requested by Justice Department and SARS
		Tender:	100%	100%	
		Construction:	100%	80%	
	<ul style="list-style-type: none"> <li>Upgrade of Mechanical Workshop</li> </ul>	Planning:	100%	100%	Awaiting appointment
		Tender:	100%	100%	
		Construction:	20%	0%	
	<ul style="list-style-type: none"> <li>Renovations of Houtkop Offices</li> </ul>	Planning:	100%	10%	Scope of work altered for planning phase. Project business plan approach to be implemented to streamline planning phase
		Tender:	0%	0%	
		Construction:	0%	0%	

VOTE DESCRIPTION: PUBLIC WORKS:  
BUILDING MAINTENANCE & PROJECTS

CLUSTER: ENG. SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Creating conditions conducive for Entrepreneurship & job creating	<ul style="list-style-type: none"> <li>Renovations of Mayor's Parlour</li> </ul>	Planning:	100%	0%	Project shelved. No consensus on scope of works. Project business plan approach to be implemented to streamline planning phase
		Tender:	100%	0%	
		Construction:	100%	0%	
	<ul style="list-style-type: none"> <li>Upgrading of Human Resources Building</li> </ul>	Planning:	100%	100%	Awaiting appointment
		Tender:	100%	100%	
		Construction:	100%	0%	
	<ul style="list-style-type: none"> <li>Upgrading of Boardroom</li> </ul>	Planning:	100%	0%	Project shelved. No consensus on scope of works. Project business plan approach to be implemented to streamline planning phase
		Tender:	100%	0%	
		Construction:	100%	0%	
	<ul style="list-style-type: none"> <li>Renovations to 4<sup>TH</sup> floor Main Office complex for MM</li> </ul>	Planning:	50%	90%	
		Tender:	0%	0%	
		Construction:	0-%	0%	
	<ul style="list-style-type: none"> <li>Renovations to 5<sup>TH</sup> floor Main office complex for DMM: SD</li> </ul>	Planning:	5%	5%	
		Tender:	0%	0%	
		Construction:	0%	0%	



***ANNUAL REPORT***

***JULY 2006 to JUNE 2007***

***CLUSTER: DEVELOPMENT PLANNING***



## ***ANNUAL REPORT 2006/07***

### ***DEVELOPMENT PLANNING: HOUSING***

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

***PROJECTS (N.B: All projects funded through Dept. of Housing: Gauteng)***

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Manage the leasing and maintenance of Council-owned housing units	Development of a comprehensive database on all rental units and agreements	<ul style="list-style-type: none"> <li>Number of units re-allocated and new agreements drawn up.</li> <li>Number of Works Orders issued to the Engineering Dept. for ongoing maintenance</li> </ul>	100%	100%	
To register applicants on the Gauteng Provincial Housing Waiting List	Updating of Gauteng Provincial Housing Waiting List	<ul style="list-style-type: none"> <li>Number of new applications received</li> <li>Number of new applications captured</li> </ul>	100%	100%	
Assist Land Claims Commission to restore properties successfully claimed and which belong to Council	To have claimed properties registered into the names of successful claimants	<ul style="list-style-type: none"> <li>Number of Agreements completed</li> </ul>	100%	50%	The official from the Land Claims Commission was removed and replaced with a new official

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Tshepiso North Ext. 3 – 1 500 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	• Service stands	100%	100%	
		• Transfer stands (1 500)	50%	0%	Contractor replaced.
		• Build top structures (1 500)	50%	0%	Contractor replaced.
		• 4 Contractors appointed to construct roads	100%	100%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING



Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Tshepiso Extension 1 – North and South 550 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	• Water and sewer contractor appointed.	100%	100%	Tshepiso South X1 invaded by squatters  -- Installation of services delayed due to invasions
		• Installation of water and sewer	100%	50%	
		• Transfer stands (550)	100%	0% ) --	
		• Build top structures (550)	100%	0% )	
<b>Sonderwater (Sebokeng Exts. 25 &amp; 26 – 700 Stands)</b> To service stands with water and sewerage, and to provide top structure to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	• Installation of bulk water	100%	90%	Pipeline is in testing phase.  -- Shortage of funds. Implementation in 2008.
		• Appoint water and sewer contractor	100%	0% ) --	
		• Transfer stands (700)	100%	0% )	
		• Build top structures	100%	0% )	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Sebokeng Ext.24 – 226 Stands</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>Land Availability Agreement be made available to Thubelisha Homes.</li> <li>Dept. of Housing to conclude a funding agreement with Thubelisha Homes. (Provincial priority approved project on budget.)</li> </ul>	100%	100%	Gauteng Dept. of Housing busy finalizing the agreement
			100%	50%	
<b>Sebokeng Ext.24 - 565 Stands</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>Number of Stands serviced with water and sewer</li> <li>Number of beneficiaries registered</li> <li>Contractor appointed to construct houses</li> <li>Transfer stands (565)</li> <li>Build houses (565)</li> </ul>	100%	50%	Phase 2: Informal settlement to be relocated to Phase 1
			100%	100%	
			100%	100%	
			100%	0%	) -- ) ) -- Slow delivery of houses by contractor
			100%	2%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING



Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Tshepiso North Ext. 4 – 6 940 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>Obtain a positive Record of Decision with regard to Tshepiso Ext.4 from the Gauteng Dept. of Agriculture, Conservation and Environment</li> <li>Reach agreement with VESCO regarding the purchase of land.</li> <li>Resolve Cape Gate objection</li> <li>Obtain Town Planning approval.</li> <li>Provision of bulk services/MIG funding obtained</li> </ul>	100% Has been received.	100%	Valuations obtained. Negotiations with VESCO underway.
			Agreement reached	50%	
			100% Cape Gate objection resolved	100%	
			100%	100%	Insufficient funding
			100%	0%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Chris Hani Bophelong – 195 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>• Complete town planning process.</li> <li>• General plan submitted, awaiting approval.</li> <li>• Obtain IPW and appoint consultants for beneficiary administration.</li> <li>• Obtain approval for pre-engineering designs for water, sewer, roads and stormwater.</li> <li>• Installation of water and sewer</li> <li>• Transfer of stands (195)</li> <li>• Construct top structures (195)</li> </ul>	0% Awaiting funds – 2007/2008 financial year	0%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>New Village – 250 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>• Town planning process completed.</li> <li>• General plan submitted, awaiting approval.</li> <li>• Obtain IPW and appoint consultants for beneficiary administration</li> <li>• Installation of water and sewer</li> <li>• Transfer of stands (250)</li> <li>• Construct top structures (250)</li> </ul>	0% Awaiting funds – 2007/2008 financial year	0%	
<b>Boiketlong/ Quaggasfontein – 4 900 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries	<ul style="list-style-type: none"> <li>• Layout Plans for Quaggasfontein, named Lethabong Proper, and Exts. 1 &amp; 2 are currently in circulation for comment.</li> <li>• MIG Funding of R16,000 000-00 obtained.</li> <li>• Conclude land purchase agreement.</li> </ul>	100% (Phase 1) R16-million received from MIF, plus Council's counter-funding of R4,8-million = R20,8-m	100%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Tshepisoong/ Vlakfontein - 963 Stands.</b> To service stands with water and sewerage, and to provide top structures to house qualifying beneficiaries	To have all stands serviced, top structures erected thereon, and to transfer stands into the names of the beneficiaries.	<ul style="list-style-type: none"> <li>Toilet structures completed (Level 2 service)</li> </ul>	100%  500 houses to be erected during 2006/7 financial year	38%	Slow delivery of contractor
<b>Boipatong Hostel.</b> Upgrading of hostel units.	To have all hostel units upgraded to a fair living condition	<ul style="list-style-type: none"> <li>Emergency repairs by Goldenwest Social Housing Institution.</li> <li>Planning completed.</li> <li>Claim of the original professional team handed to the Dept. of Housing: Gauteng for payment on 15 March 2006. Amount claimed: R1,080 470-06, including VAT.</li> </ul>	100%  100% 100%	100%  100% 100%	

VOTE DESCRIPTION: HOUSING

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>Retro Project:</b> Transfer of low cost housing rental units in: Leeuhof Ext. 1 Sonhof Flats Vanderbijlpark Rust-ter-Vaal	To effect transfer of low cost housing rental units to low income group	<ul style="list-style-type: none"> <li>A report in this regard was submitted to Council on 06/06/06.</li> </ul>	100%	100%	Unsigned rental agreements due to delegation of authority being rescinded.
		<ul style="list-style-type: none"> <li>Gauteng Dept. of Housing's appointment of <i>Cebisa Retro Project Consortium</i> pertaining to the transfer of the above rental units was accepted and approved.</li> </ul>	100%	100%	
		<ul style="list-style-type: none"> <li>Claim forms drawn up and distributed to beneficiaries in Leeuhof Ext. 1, Rust-ter-Vaal, and low cost housing units in Vanderbijlpark</li> </ul>	100%	85%	
		<ul style="list-style-type: none"> <li>Completion of claim forms</li> </ul>	100%	100%	





## ***ANNUAL REPORT 2006/07***

### ***DEVELOPMENT PLANNING: LOCAL ECONOMIC DEVELOPMENT***

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<u>INFORMAL TRADING</u> The creation of an environment that will be conductive to the growth and formalization of the informal trading sector.	The identification and demarcation of areas that will be acceptable for the Council as well as the informal trading sector.	Amount of demarcated stand and trading approved trading areas.	6	2	Lack of resources such as funding and staff
	The establishment of an informal sectorial forum	Established informal trading forums.	6	2	Lack of resources such as funding and staff
	Monthly meetings of forums	Amount of meetings	6	6	
<u>ADVERTISING</u> Administer & control adverts by generating income for ELM in respect of adverts on council property & business premises. Control Illegal advertising in Emfuleni.	Registration of advertising boards, Bill boards and posters.	Amount of registered adverts and Comprehensive date base in this regard.	As per applicatio n  Data base is in place and being updated	All new applications are registered  60% completed database	Lack of capacity: Staff and resources
	Issuing summonses and the removal of illegal posters and advertising boards.	Amount of illegal advertisements that are removed on an annual bases and summonses issued.	As per contrave ntion	Only 50% successful	

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<u>BUSINESS RETENTION AND GROWTH</u> To service the Economic Development and Tourism needs of the community and the Council by rendering an expert and professional service through the creation of an environment in which social and economic growth can take place and in which citizens as well as visitors to the area can enjoy a quality life.	Establishment of sectorial business forums aimed at better service delivery.	Amount of successfully established forums/committees.	7	7	
	Finalization of an incentive policy and a marketing strategy.	A final incentive policy and marketing strategy.	One incentive policy and one marketing strategy	Strategy is 80% completed and incentive has been submitted for council approval	Lack of capacity: Staff
	6 Monthly meetings with different business sectors.	Amount of monthly meetings held with business forums.	10	10	

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<u>POVERTY ALLEVIATION AND JOB CREATION</u>  Stimulate Economic activity in the former disadvantaged areas.	Run educational and information sessions in areas where the need exist.	Amount of sessions held.	As per the need	5	
Assist in the development of agricultural mini farms in the rural areas and former disadvantaged areas.	In conjunction with the ward councilors and the communities identify suitable land for agricultural projects.	Amount of suitable portions of land identified for projects.	As per the need	1 but it can be more.	Moratorium on the sale of land.

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Assist and support community based job creation projects.	Identify and introduce community based organizations to potential funding organizations.	Amount of organizations identified and assistance rendered and Funding arranged for projects.	As per the need	9 Individuals or organizations have been referred to funders	
Compile a data base of all projects whether it be council driven or community driven	Compilation of a comprehensive data base of projects	Comprehensive data base.	100% of all new projects captured on database	Data base is being updated on a continues bases	
<b>TOURISM AND MARKETING</b>					
Ensure an enabling institutional framework, structures and mechanisms to improve co-operation and communication	Participation in District Tourism Stakeholders meetings	Number of meetings attended at the District and GTA	As and when necessarily	34	
	Management of Emfuleni Tourism Association	Number of meetings attended	10	11	

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Establishment of Partnerships and Linkages to extend the network with relevant partners in the public and private sector to the benefit of all	Identify additional partners to become members of the Emfuleni Tourism Association	Numbers of additional product owners to join the association	8	8	
Ensure an informed and skilled community, facilitate awareness and build a culture of service excellence	Identify capacity building needs of local government, emergent and existing product owners and facilitate training.	Number of training courses facilitated or attended	2	5	
	Facilitate accreditation, registration and quality assurance	Number of facilities graded by the National Grading Council	2	5	
	Provide a safe and secure environment for visitors	Presentation on safety and security measures in the tourism industry.	2	1	DEAT will facilitate presentations after the approval of the Gauteng Safety Strategy

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Manage, disseminate and share relevant information with the industry and the public	Maintain and upgrading of a database of all tourism enterprises	Regular updating of database	100%	100%	
	Maintain a tourism information centre to provide information, facilitate communication and serve as a basis for activity in targeted areas	Capturing & collating of tourism information	100% operational tourism information centre	Normal management and maintenance	
	Develop print and electronic publications that will provide information to visitors and public	Update tourism information on Emfuleni Website on a 2 monthly basis Advertise yearly in the Vaal Meander	6  1	6  1	

VOTE DESCRIPTION: LED

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Develop innovative tourism products in partnership with public and private sectors to support tourism, increase investments and SMME's	Develop tourism packages and tours	Amount of packages and tours	2	2	
	Develop and manage tourism signage policy	Number of Tourism Signage Liaison committee meetings	4	4	
	Facilitate SMME's	Number of consultations	As and when needed	11	
Improving the physical environment and reduce pollution and litter levels	Liaise with solid waste department to ensure they provide the necessary waste removal	Communicate on a regular basis	As and when needed	3	
	Liaise with the LUM department to ensure a spatial development framework that incorporates a tourism land use management plan	Communicate on a regular basis	As and when needed	3	
Growing the tourism industry by marketing the area's attractions and tourism products	Increase bed nights, number of visitors and tourism spend in the area by organizing the Vaal River Carnival	Attending meetings and co-ordination of the event	4	39	





***ANNUAL REPORT 2006/07***

***DEVELOPMENT PLANNING: PROPERTIES***

## VOTE DESCRIPTION: Properties

## CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Ensure social and economic development	Establish a comprehensive database for agreements and property transactions	% of agreements renewed and data of agreements and property transactions captured.	100%	95%	A database is in the process of being established. However illegal occupations and non- existence of legal agreements in certain areas and legal procedures to be followed delays the process.
	-Manage the property transfer process. Registration of transfers at deeds office without unreasonable delays	Period in which transaction must be registered with assumption of normal circumstances	5 months per transaction		Moratorium in place. No new transfers in place, but non existence of delegations of authority delayed signing of documentation.
	Lease of Council Property	Period in which applications must be approved by relevant committees within the framework of prescribed procedures and assumption of normal circumstances.	4 months	4 months	
	Registration of servitudes over council land				
<u>Property Audit</u>	Property audit	% of council properties audited	100%	97%	Verification process of land audit information can start as soon as the Land Audit is incorporated into the GIS system. In final stage with the incorporation.

VOTE DESCRIPTION: Properties

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b><u>Property Audit</u></b>	Manage the sale of property in terms of council policies and legislation such as Supply Chain Management policy and MFMA	% completion of new disposal policy which is in line with Supply Chain Management Policy and legislation.	100%	98%	Policy was drafted and submitted for approval but was deferred for amendments.
	Implementation of a policy for the selling of businesses in former disadvantage areas.	% completion of policy on the selling of businesses in former disadvantage areas.	100%	95%	Policy was drafted and withdrawn for submission of applications for Top Twenty township projects. The Top 20 Projects were not approved and Policy must be re-submitted.



***ANNUAL REPORT 2006/07***

***DEVELOPMENT PLANNING: LAND USE MANAGEMENT***

## VOTE DESCRIPTION: Land Use Management

## CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Land Use Managemen t System	Development of Land Use Management System for Emfuleni	Develop a uniform land use system for the Emfuleni area	10%	10% Tender awarded TOR established Status quo report finalized	
Emfuleni Spatial Developmen t Framework	Review of the Emfuleni Spatial Development Framework	The Framework Plan was reviewed, approved and taken into the IDP Document	100%	100%	
Land Use Law Enforcement	Establishment and capacitating of law enforcement unit	Deals with land use contraventions And complaints within a certain time frame	100%	25%	Commitment from officials and capacitation
Opening of Township Registers	Completion of Township Registers in process and appointment of Consultants to start second phase	To ensure tenure to the residents	75%	50%	Townships are in private ownership and council cannot force the owner to proceed with the opening of the township registers
		<u>Sebokeng Unit 3, 6, 7 and 8</u> Application for opening of township register was submitted			
		<u>Unit 10</u> Section 35(3) certificates to be obtained.			

VOTE DESCRIPTION: Land Use Management

CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Opening of Township Registers	Completion of Township Registers in process and appointment of Consultants to start second phase	<u>Unit 11, 12 &amp; 13</u> Section 35(3) certificates to be obtained for certain areas. Surveyor General (S.G) Diagrams have been obtained from the office of the Surveyor-General (26/06/2006).	75%	50%	Townships are in private ownership and council cannot force the owner to proceed with the opening of the township registers
		<u>Unit 12 Extension 1, 2 &amp; 3</u> All conditions of township establishment have been complied with. Township registers can be opened (Sedibeng).			
		<u>Unit 14 and Sebokeng Extension 16</u> Township Register has been opened			
		<u>Sebokeng Extension 15</u> No progress. Private development. Wrote to developer to enquire when townships will be proclaimed.			
		<u>Sebokeng Extension 17</u> Not proclaimed, private development by Vesco.			
		<u>Sebokeng Extension 20</u> Not proclaimed, private development by Vesco.			

## VOTE DESCRIPTION: Land Use Management

## CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Opening of Township Registers	Completion of Township Registers in process and appointment of Consultants to start second phase	<u>Sebokeng Extension 15</u> No progress. Private development. Wrote to developer to enquire when townships will be proclaimed.	75%	50%	Townships are in private ownership and council cannot force the owner to proceed with the opening of the township registers
		<u>Sebokeng Extension 17</u> Not proclaimed, private development by Vesco.			
		<u>Sebokeng Extension 20</u> Not proclaimed, private development by Vesco.			
		<u>Sebokeng Extension 21</u> Not proclaimed. Private Development. Development company liquidated			
		<u>Evaton West Extension 1, 2, 3, 4 &amp; 7</u> Still have to comply with conditions of establishment. Wrote letter to developers (M5 Developers) to request when townships will be proclaimed			
		<u>Sharpeville</u> Township registers opened			
		<u>Bophelong</u> Section 35(3) certificates to be obtained.			

## VOTE DESCRIPTION: Land Use Management

## CLUSTER: DEVELOPMENT PLANNING

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Opening of Township Registers	Completion of Township Registers in process and appointment of Consultants to start second phase	Boipatong In process. Requested PSN if they are willing to assist with opening of township registers free of charge. Letter sent 27/10/05, telephonic enquiries 16/01/06, reminder sent 15/02/06. No progress. (26/06/2006)			
		Tshepiso Exemption for registration of leasehold. NO progress. Private development by Vesco.			
Development applications	Processing of development applications	Finalize applications within reasonable time frames Rezoning – 6 months Township establishments – 18 months – 2 years Consent uses – 6 months Title removals – 6 months Subdivisions – 6 months Consolidations – 6 months Tribunals – 18 months	100%	25%	Delegations and capacity constraints
GIS	Plan for the development and establishment of a GIS Unit	Data capturing on existing data to be finalized. Budget and appoint GIS Administrators. Capture new data. Training Section to use GIS to full potential.	50%		Financial constraints Unavailability of information from the Surveyor-General's offices





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***JULY 2006 to JUNE 2007***

***CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT***



***ANNUAL REPORT 2006/07***

***PUBLIC SAFETY & COMMUNITY DEVELOPMENT  
TRAFFIC & SECURITY,  
MUNICIPAL COURT &  
FIRE & RESCUE SERVICES***

VOTE: Traffic and Security, Municipal Court, Fire and Rescue Services  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY AND COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To ensure social and economical development	Municipal Courts	Established functional Municipal Court in Vanderbijlpark	1 Court	1 Court established	None
	Municipal Courts	Recovery of outstanding fines	70 000	85 489	Utilising of technology and efficiency of staff
	Municipal Courts	Recovery of outstanding warrants	5000	4609	Lack of transport & cancellation of roadblocks due to poor weather conditions & other unforeseen conditions
	Municipal Courts	Management of PPP regarding outstanding fines	R12 000 000.00	R13 873 778.00	Effective & efficient management of PPP
	Traffic & Security	Number of roadblocks conducted in conjunction with SAPS and Gautrans	100 road blocks	80 Road blocks conducted	Bad weather conditions & visits of MEC's & other special events and projects
	Traffic & Security	Appointment of contracted security services	1 Security company	KKS security company appointed	None
	Traffic & Security	Installation of alarms and armed response	75% of all sites	Phoenix security services appointed and installed 105 alarms but 21 alarms outstanding	Budget of R1 400 000 exhausted
	Traffic & Security	Capturing of all accidents reported	2797 accidents to be captured	100% captured	None
	Traffic & Security	Training of Wardens to become Traffic officers	20 Wardens	16 Wardens trained as Traffic Officers	4 Wardens did not meet the criteria for admission at the college

VOTE: Traffic and Security, Municipal Court, Fire and Rescue Services  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY AND COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To ensure social and economical development	Traffic & Security - Training	Training of School children in road safety	90 Schools must be visited	33 Schools visited	Shortage of staff, equipment & training material
	Traffic & Security	Revenue of Traffic escorts	R70 000	R26553	Undetermined
	Traffic & Security	Provision of information revenue	R20 963	R28258	Undetermined
	Traffic & Security	Revenue for Parking Meter fees	R250 000	R159297	Vandalism and shortage of parking meters in the CBDs
	Fire & Rescue	Conduct public awareness programs on fire prevention and management. Train the public on elementary fire fighting, fire extinguishing and first aid.	1100 members of the public informed on fire and rescue. 300 members of the public trained.	9200 members of public informed 923 members of public trained in basic fire fighting & first aid.	Cooperation of schools, GDE and public.
	Fire & Rescue	Memorandum of Agreement on Specialized Fire provision signed with Sedibeng	Send all Specialized fire reports to Sedibeng on a quarterly basis	200 specialized fire reports submitted to Sedibeng District Municipality.	None
	Fire & Rescue	Implement the Fire and Rescue tariffs, for services provided to industries and individuals, as approved	Budgeted income R 50 000.00	Total income for 06/07 were R 51 040.00	Income was more than anticipated

VOTE: Traffic and Security, Municipal Court, Fire and Rescue Services  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY AND COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To ensure social and economical development	Fire & Rescue	To render an efficient and effective Fire and Emergency Service to the community by reducing response times	Reduce reaction time to 15 minutes at furthest point	Reaction times not reduced	CCC not upgraded yet. Satellite stations not in place in Evaton & Vaaloewer.
	Fire & Rescue	To ensure and sustain a trained Fire Fighting Service/ Rescue Service/ Hazardous material/ Special Service/ Humanitarian Emergency Medical Services	71 personnel must receive training.	41 personnel members were trained in different courses	None availability of sufficient funds from Training Section of HR.
	Fire & Rescue	Implementation of SOP's and By-laws with regard to the legal management of Fire & Rescue Services	To have all policies and procedures in place.	Standard Operation Procedures in operation  By-laws not in place	Awaited Legal Department to revise and promulgate

VOTE: Traffic and Security, Municipal Court, Fire and Rescue Services  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY AND COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMAN CE INDICATOR (Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
	Procurement of fire engines	All 42	4 mil	Effective and efficient service delivery	17 Vehicles on lease	11 Vehicles were secured through Fleet Management (FML)	Awaiting delivery of 6 more vehicles
	Procurement of fire equipment	All 42	300 000	Efficient Fire Fighting and Rescue services	New equipment to the value of R300 000.	No Fire Equipment were purchased	No funds were approved for capital items
	Procurement of Fire station in Sebokeng /Evaton	Sebokeng/ Evaton	13 mil multi year project	Better response times in the Sebokeng / Evatona area	Appoint Consultant to do feasibility and draw up plans	A Full feasibility study was done by the consultant and was paid R1 127 000	Multi year project ,will be finished in 08/09 financial year
	Procurement of two way radios	All Wards	R165150 .00	Effective communication by providing 60 radios	Purchase ± 60 radios	No Radios were purchased	No funds were approved for capital items
	Procurement of firearms	All wards	R78900	Issue of firearms to officers	10 Firearms	No firearms purchased	Delay in approval of report and failure to rollover the funds
	Speed measuring equipment	All wards	R400812	Minimize risk on roads due to speeding	4 Speed measuring equipment	4 Speed measuring equipment purchased	None
	Alcohol screeners	All wards	R126155 6	Prevention of accidents & minimizing of drunk driving	20 Alcohol screeners	None purchased	No funding

VOTE: Traffic and Security, Municipal Court, Fire and Rescue Services  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY AND COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMAN CE INDICATOR (Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
	Renovations of Municipal Court	Vanderbijlp ark, Sebokeng. Evaton, Bophelong, Boipatong	R900 000	Completion of building renovations	R900 000 to complete renovations	Court building completed 100% Process section renovations partially completed R900 000 utilized.	



***ANNUAL REPORT 2006/07***

***PUBLIC SAFETY & COMMUNITY DEVELOPMENT  
HEALTH & SOCIAL DEVELOPMENT***

VOTE DESCRIPTION: Health & Social Development

CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT



Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Render a comprehensive and accessible Primary Health Care Service	Primary Health	A % of clinics rendering a full basket of basic Primary Health Care Services (baseline 15 out of 19 clinics =79%)	79% 15 clinics	79% 15 clinics	
Render a comprehensive and an accessible Primary Health Care Service	Primary Health	According to the SLA Operational Budget expenditure of R24 817 380	R24 817 380	R24 817 380	
Render and effective Drug Management System in terms of the Pharmacy Act 53 of 1974	Primary Health	Facilities with established & sustained re-order levels.( 19 clinics)  % of facilities with drug stock outs of less than 2%	19  100%	19  100%	
Provision of comprehensive HIV/AIDS programs in clinics	Primary Health	HIV/AIDS programs provided in all identified sites (15 sites)	15	15	
Provision of comprehensive mobile clinic services	Primary Health	A sustainable mobile service provided in informal settlements and rural areas 5 Mobile points	3	4	

VOTE DESCRIPTION: Health & Social Development

CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Render a comprehensive and accessible Municipal Health Service	Municipal Health Services	According to the SLA Operational Budget expenditure R 4,419,613 * Reason for deviation from budget	R4,419,613	R3,808,730	Staff attrition
The development of EHS Database	Municipal Health Services	Data base on the following: <ul style="list-style-type: none"> <li>• Pre Schools</li> <li>• Food premises</li> <li>• Milk producers</li> <li>• Funeral Undertakers</li> </ul>	80%	70%	EHPS Attending a training course
To render effective and efficient food security program	Municipal Health Services	Regular sampling of milk, and food ( 140 Samples)	140 Samples (35.pq)	146 Samples	
Water Quality Monitoring	Municipal Health Services	Sampling of water for bacteriological and chemical pollution.(160 Samples)	160 Samples (40.pq)	138 Samples	EHPS attended to the polio campaign

VOTE DESCRIPTION: Health & Social Development

CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Health surveillance of premises	Municipal Health Services	Currently there are 2654 inspections per annum +5% (697inspections per quarter)	2788 Inspections	2798 Inspections	
Pollution control: Air Noise Land	Municipal Health Services	Monitoring Air/Noise/Land Pollution 100% of complaints solved * Reason for not reaching the annual target.	100% com- Plaints solved	86%	Due to notices, time frames
Ensure inspections of pre schools, Day Care Centres, etc	Municipal Health Services	501 Pre school institutions inspected. (375 Inspection per quarter)	1503 Inspections (375 pq)	1656 Inspections	

VOTE DESCRIPTION: Health & Social Development

CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE			
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)	
The investigation of vector related complaints.	Municipal Health Services	100% of cases solved *Reason for not reaching the annual target.	100% of Cases solved	94%	Due to notices, Time frames	
Effective and efficient disposal of the dead	Municipal Health Services	43 Funeral Undertaker Premises inspected (2 inspections per annum per undertaker)	86 Inspections	104 Inspections		
<b>Administrative support</b>						
To appoint sufficient staff.	Administration	Appoint 6 staff members according to the proposed organigram.	6	6		
To improve the administrative capacity	Administration	Train staff to use the computers effectively *In house	100%	40%	Training continued into the 2007/08 financial year	

VOTE DESCRIPTION: Health & Social Development

CLUSTER: PUBLIC SAFETY & COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To appoint staff for Social Services Section	Social Services Section	Appoint 3 staff members in the budgeted vacancies	3 staff members	0	Budget not enough
To provide office accommodation for the staff to perform the function	Social Services Section	Office accommodation is available for 7 staff members.	7 Offices	1 Office	Delay as a result of instruction from the MM to Public Works not to proceed with renovations of the Houtkop Offices

VOTE DESCRIPTION: Health & Social Development  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY & COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Primary health care (clinics)	Procurement of vehicles	All 42		5 Vehicles replaced	Operational lease	5 vehicles	
	Build 3 clinics in Bophelong Extension, Evaton West, Zone 14.	Bophelong Extension, Evaton West, Zone 14.	R4.5 m	Rand Value	R4.5 m	0	No budget allocation by Province
	Upgrade 5 clinics (Rust- Ter-Vaal, Bophelong, Tshepiso, Zone 12, and Beverly Hills) to meet the needs of the community.	(Rust-Ter- Vaal, Bophelong, Tshepiso, Zone 12, and Beverly Hills	R2 m	Rand Value	R2 m	0	Money transfer only in June 2007 from Province

VOTE DESCRIPTION: Health & Social Development  
DEVELOPMENT

CLUSTER: PUBLIC SAFETY & COMMUNITY

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Primary health care (clinics)	Maintenance of all the clinics (PHC-04)	All 42	R 1 838 808  R 280 000 (Provinci al Grant)  R 400 000 (EPWP Grant)	Rand Value  Rand Value  Rand Value	R 1 838 808  R 280 000  R 400 000	R 1,531,608  R 280 000  R 400 000	
	Wide area network for all clinics (PHC-02)	All 42	R 370 000	Quality	R 370 000	0	No allocation from the Re-structuring Grant

## VOTE DESCRIPTION: Health &amp; Social Development

## CLUSTER: PUBLIC SAFETY &amp; COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Primary health care (clinics)	Replace office furniture	All 42	R 15 000	Rand Value	R 15 600	R 2 960	Delay at Supply Chain
	Replacement of uniforms and safety clothes	All 42	R 150 476	Numbers	R 150 476	0	Delay at Supply Chain
Health Administrati on	Maintenance of filing system	All 42	R 15 000	Quality	R 15 000	0	Delay at Supply Chain
Environmental Health:	Procure a Smoke Density Meter and Noise Level Meters	All 42	R234 700	Rand Value	R234 700	0	Delay at Supply Chain
	Provision of Cell phones for EHP's	All 42	R5 100	Rand Value	R5 100	R 5 100	



## VOTE DESCRIPTION: Health &amp; Social Development

## CLUSTER: PUBLIC SAFETY &amp; COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Environmental Health	Rehabilitation of Sebokeng/Hout kop building (MHS-01)	All 42	R 1 496 000	Quality	R 1 496 000	R 393 727	Delay as a result of instruction from MM to Public Works not to proceed
	Replacement of vehicles	All 42		3 Vehicles	3 vehicles	3 vehicles	
	Replace office furniture	All 42	R 30 000 *Grant from Sedibeng	Quality	R 30 000 * Grant from SDM	R 31 207	Grant from Sedibeng

## VOTE DESCRIPTION: Health &amp; Social Development

## CLUSTER: PUBLIC SAFETY &amp; COMMUNITY DEVELOPMENT

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	CAPITAL PROJECT	WARD	BUDGET R	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
					ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Environmental Health:	Replacement of uniforms and safety clothes	All 42	R 30 000	Quality	R 30 000	R 29 818	
	Maintenance and calibration of Air Quality Monitoring Station	All 42	R 90 000 *Reduced with revised budget R45 800	Rand Value	R 90 000	0	Monitoring station in the process to be relocated
	Procure and install Air Pollution Monitoring Station	All 42	R 2 600 000 Danida Grant	R2 600 000 Spend	R 2 600 000	R 2 600 000	
	Implement the Cleaner concept for household energy in Evaton (MHS-03)	Evaton	R 700 000	R700 000 Spend	R 700 000	0	Still awaiting MIG Confirmation



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***PUBLIC SAFETY AND COMMUNITY DEVELOPMENT  
SPORTS, RECREATION, ARTS & CULTURE***

VOTE DESCRIPTION: SRAC & Libraries

CLUSTER: PUBLIC SAFETY & COM. DEV.

**Sport & Recreation**

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Development of Sport and Recreation Facilities					
Grading of Informal Soccer Fields	Sport	10 Soccer Fields per Quarter	40 Informal soccer fields to be grated	20 fields graded 50%	Budget and Procurement
Upgrading of Dickenson Park	Recreation	% of Project Complete	100%	0%	Project rolled over to 2007/2008
Upgrading of Sebokeng Zone 3 Stadium	Sport	% of Project Complete	100%	0%	No Funding
Upgrading of SW 1 Korfball Courts		% of Project Complete	100%	0%	No Funding
Maintenance of Sport and Recreation Facilities		41 Facilities Maintained Continuously	41 Sport & recreation facilities Maintain	41 facilities maintained 100%	
Cutting of grass. Marking of fields.		Cut all grass fields and mark them	To cut and mark 24 grass fields	24 grass fields cut and marked 100%	

VOTE DESCRIPTION: SRAC & Libraries

CLUSTER: PUBLIC SAFETY & COM. DEV.

**12 Libraries**

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Promoting Social & economic Development	Libraries	To increase the number of daily users by 5% by 30/06/07	100 %	169 459 203%	This growth indicates the importance of LIS
To support formal & Informal Libraries		To increase the number of registered members by 3% by 30/06/07	100 %	99 821 74%	New members register on a daily basis
To promote a culture of reading and Lifelong Learning		To increase the number of books by 1% by 30/06/07	100 %	489 751 101%	Mostly due to books received from Province and donations
To prove the latest Information Resources eg. Books		To increase the number of latest information resources by 5% by 30/06/07	100%	Current stock 525 305 100%	
To establish Community Libraries Committees for all Community Libraries		To increase the number of CLC's to 11 by 30/06/07	100 %	11 CLC's 100%	11 CLC's have been established (Driehoek and Vanderbijlpark has one CLC)
To provide the latest Information Communication Technology, ICT		To increase the number of libraries that provide ICT by 12 by 30/06/07	100 %	11 92%	Driehoek Library still do not have ICT
To conduct Literacy Programme at Bophelong, Roshnee, Sharpeville		To increase the number of libraries that conduct literacy programme to 8 by 30/06/07	100%	3 %100	1 Literacy programme in each cluster

VOTE DESCRIPTION: SRAC & Libraries

CLUSTER: PUBLIC SAFETY & COM. DEV.

**12 Libraries**

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To conduct Career and Study Guidance Programmes.	Libraries	To increase the number of learners/students reached with programmes	100%	24 380 100%	Takes place on ongoing process
To conduct Holiday Programmes		Reduce number of crime incidents and level of HIV/AIDS	100%	10 885 101%	Holiday and Library Programmes are very well attended
To provide people with basic computer skills		To increase the number of libraries providing E-Learning by 3 by 30/06/07	100%	3 100%	E-Learning at Residensia, Sharpville and Evaton Libraries
To improve maintenance at Libraries		To have 12 well maintained libraries by 30/06/07	100%	0 100%	All Libraries are in serious need of maintenance
To alleviate poverty and empower women		An increase establishment of vegetable gardens to 3 libraries by 30/06/07	100%	3 100%	3 vegetables gardens: Bophelong, Rust-ter-vaal, Sebokeng
Upgrading of Sebokeng Community Library		To provide more space for studying and recreational purpose by 30/06/07	100%	0 100%	Still in planning phase

VOTE DESCRIPTION: SRAC & Libraries

CLUSTER: PUBLIC SAFETY & COM. DEV.

**Parks Department**

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ATUAL PERFORMANCE	Q2 Target
Short term projects: Cut grass on all Municipal land	Parks: Grass cutting	Cut 271 ha of grass on developed parks & large traffic islands	271 ha	204 ha 75%	Insufficient Funds, Staff and Equipment
		Cut 1 070 ha of grass on undeveloped parks	1 070 ha	268 ha 25%	Insufficient Funds, Staff and Equipment
		Cut grass in 9 office gardens, small islands, 10 libraries & 22 clinics + substations.	9 offices 10 libraries 18 clinics + 6 substations	100%	
		Developed one park in a previously disadvantaged area	1	0%	No Funding
Maintenance of all the street trees belonging to ELM	Parks: Trees	Maintain and prune the street trees.	± 70 000	± 695 1%	Insufficient Funds, Staff and Equipment
Maintain Nursery	Parks: Nursery	Harvest and saw indigenous tree-seeds in the nursery and transplant in to bigger bags.	2 00 trees	0%	Donations from SDM and Provinces



***ANNUAL REPORT***

***JULY 2006 to JUNE 2007***

***MANAGEMENT SUPPORT SERVICES***





***ANNUAL REPORT 2006/07***

***CORPORATE SERVICES  
LEGAL SERVICES***

VOTE DESCRIPTION: Legal Services

CLUSTER: CORPORATE SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Good governance and Institutional Capacity	Rationalization of bylaws	Number of bylaws Promulgated	8	20 bylaws drafted.	There was no allocation for actual promulgation
	And reviewal of bylaws	Reviewal of bylaws	10	100%	Bylaws still relevant
	Enforcement of bylaws	Function handed over to the extended magistrate court/ municipal court	-		
	Review, revise And develop Policies	Number of reviewed And developed policies	20%		The reviewed policies have served before Council.
	Contract Management	Putting systems in Place, monitoring of the contracts & termination (including Drafting and vetting thereof)	20%	10%	

VOTE DESCRIPTION: Legal Services

CLUSTER: CORPORATE SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Good governance and Institutional Capacity	Manage litigation (including both criminal and civil matters)	Proceedings for municipality and the number of instructions received	100%	<u>Civil matters</u> 17,5% - pleadings not yet closed.	Court Processes  Making payments on 50% and the other 50% awaiting information from electrical department.  Court Processes.  Reasons not forwarded by Prosecutor and has failed to respond to our request for information.  Matters reported to Police to enable the municipality to lodge a claim with the insurance.
				7,14% - possible litigation	
				<u>Criminal matters</u> 7,14% - finalized	
				17,14% - pending before the courts.	
				7,14% - withdrawals	
				7,14 – still under investigations.	
				35,7% - culprits unknown	

VOTE DESCRIPTION: Legal Services

CLUSTER: CORPORATE SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
		Proceedings against the municipality and the number of instructions received.	100%	<p>75% of matters completed.</p> <p>15% of matters awaiting court dates.</p> <p>5% received letter of demand.</p> <p>5% third party claim below the amount of R10 000,00</p>	<p>Court Processes.</p> <p>Negotiating with Vesco Attorneys.</p> <p>Awaiting quotations.</p>
	Disciplinary Matters (Internally)	Number of instructions received	100%	<p>31.25% completed</p> <p>25% outstanding</p> <p>21.8% new matters.</p> <p>21.8% long overdue matters.</p>	<p>Outstanding for less than 3 months</p> <p>Unnecessary delays caused by both prosecution and defense.</p>

VOTE DESCRIPTION: Legal Services

CLUSTER: CORPORATE SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Good governance and Institutional Capacity	Disputes against the municipality (Arbitration, CCMA and Labour Court)	Number of instructions/disputes received	100%	90.4% of the matters are before the bargaining council and 9.52% are before the Labour Court and we are awaiting court dates.	Pleadings are closed and matters are ready for a hearing
	Debt Collection	Putting systems in place, reporting mechanism and evaluation of performance	100%	90%	The last stage is to negotiate new terms of reference with the attorneys and to cancel instructions in respect of the law firms that are not co-operating with the municipality.
	Updating on new legislation	Number of new legislation assented to or promulgated	100%	100%	
	Legal opinions/advise (including specification & evaluation committees)	Number of instructions received	100%	100%	

VOTE DESCRIPTION: Legal Services

CLUSTER: CORPORATE SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Good governance and Institutional Capacity	Training on legal matters	Number of instructions received/transformation and skills development requirements	100%	None	No instructions received.
	Anti-corruption campaign	Number of instructions received (See Disciplinary and criminal cases reports.)			See comments under disciplinary matters.
	Upgrading of the legal library		100%	None	No allocation of funds.



***ANNUAL REPORT 2006/07***

***CORPORATE SERVICES  
INFORMATION TECHNOLOGY***

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
To promote quality and quantity service delivery	Upgrade of wide area network				
	No. or radio links replaced	3	3	4	Four Links were installed due to demand from users
	Renovation of server room	100% completed	1	1	
	Replacement of servers	Units installed	3	5	Demand from users escalated
	Local Area Network	LAN completed	1	1	
	GIS Phase 2:				
	Finalizing Financial Data		1		Still in progress due to data cleanup via PSU
	LED layer	Layer installed +training provided	1	1	
	Metsi Water layer	Layer installed +training provided	1	1	
	Metsi Sewer	Layer installed +training provided	1	1	
	Pmu Layer	Layer installed +training provided	1	1	
	Engineering services	Layer installed +training provided	1	1	
	Stormwater layer	Layer installed +training provided	1	1	
	Roads layer	Layer installed +training provided	1	1	
	Legalise Software	100% completed	1		



## VOTE DESCRIPTION: Information Technology

## CLUSTER: MANAGEMENT SUPPORT SERVICE

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
	ICT equipment Library	100% completed	1	1	Project completed
	LIBRARY INTERNET KIOSK	100% completed			
	Total No. of Calls Logged at Helpdesk	No of completed calls	As calls are logged at helpdesk	5554	
	Replacement of PC's received from Sedibeng	100 % Completed	315	315	
To promote quality and quantity service delivery	Number of new Notebooks procured in 2006/2007		31	21	Tender process to procure 20 notebooks not finalised, no roll over capital
	Number of new PC's procured in 2006/07		150	61	Tender process to procure 120 pc's not finalised, no roll over capital
Ensuring good governance and building institutional capacity for service delivery	DRP plan	100% completed	100%		Still in progress due to delay from vendor
	Training - NOVELL ADMINIStrator	No. trained.	6	3	3 Technicians has been trained. Dates of courses has been moved and technicians would be trained in the next year



***CORPORATE SERVICES  
SECRETARIAT AND ADMINISTRATION SERVICES***

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
CREATE CONDITIONS CONDUCIVE TO ENABLE CULTURE OF CONTINUOUS PERFORMANCE COMMUNICATION AND DECISION-MAKING	Committee Services	Compilation and distribution of annual and monthly calendar	1 X Annual 10 X Monthly	1x Annual 10x Monthly	
		<b>Production of agendas and minutes of Council and Mayoral:</b>			
		- Council	4	11	
		- Mayoral	28	28	
		<b>Production of agendas and minutes of Council's Section 79/80 Committees:</b>			
		- Health & SD	10	3	Meetings were cancelled due to non-availability of reports created by direct submission of items to Mayoral Committee.
		- Housing and Properties	10	7	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		- Electricity W & S	10	7	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
CREATE CONDITIONS CONDUCIVE TO ENABLE CULTURE OF CONTINUOUS PERFORMANCE COMMUNICATION AND DECISION-MAKING	Committee Services	Public Transport	10	2	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Sports, Recreation, Arts & Culture	10	3	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Waste Management	10	4	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Public Safety	10	8	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Management Support Services	10	7	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Finance	10	8	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		LED	10	8	Meetings were cancelled due to non-availability of reports created by direct submission of items to the Mayoral Committee.
		Land Tribunal	10	24	

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
CREATE CONDITIONS CONDUCTIVE TO ENABLE CULTURE OF CONTINUOUS PERFORMANCE COMMUNICATION AND DECISION-MAKING	Committee Services	Gender	10	2	Meetings were cancelled due to non availability of reports.
		Bid Adjudication	As per requirement	18	
		Senior Management	25	30	
		Management of execution of resolutions	Submission of 24 progress reports to Snr Management	6	The arrangement for submitting progress reports was stopped by Snr Management.
			Submission of year-end progress report to the Speaker's Office	1	
		Safe-keeping of agendas and minutes (hard and soft copies) of Mayoral and Council for resource book	Quarterly filing (binding) of agendas and minutes X 4	4	

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
CREATE CONDITIONS CONDUCTIVE TO ENABLE CULTURE OF CONTINUOUS PERFORMANCE COMMUNICATION AND DECISION-MAKING	Committee Services	Updating and keeping of Delegations and Policy Registers (hard and soft copies) for resource book	Quarterly update of policies and delegations X 4	4	
		Ethics Committee	If necessary	1	
		Remuneration Committee	If necessary	4	
		Administration of petitions for upholding Batho-Pele principles	Quarterly submission of petitions to Council and feedback to petitioners X 4	4	

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Delivery and collection of mail from Post Office (Vereeniging and Vanderbijlpark)	250 times	250	
		Delivery and retrieval of mail to and from internal offices	3 times a day 750 times	750	
		Daily mailing of outgoing documents	60 000 units	70 966	
		Delivery and retrieval of mail from satellite offices	Once a day 250 times	More than once a day	Special deliveries, for example, agendas/files/invites et cetera.
		Delivery of agendas and minutes of Council and its committees:			
		Council	4	11	
		Mayoral	28	28	
		Health & SD	10	3	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Housing and Properties	10	7	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Electricity W & S	10	7	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Public Transport	10	2	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Sports, Recreation, Arts and Culture	10	3	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Public Safety	10	8	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Waste Management	10	4	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Management Support Services	10	7	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee



VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Finance	10	8	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		LED	10	8	Meetings were cancelled due to non – availability of reports created by direct submission of items to Mayoral Committee
		Land Tribunal	As and when documents become available	24	
		Gender	10	2	Meetings were cancelled due to non-availability of reports.
		Bid Adjudication	As and when documents become available	18	
		Senior Management	25	30	

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Delivery of general mail to councilors at home	4 times a week 192 times	4 times a week	
		Facilitate training and granting staff access to electronic documentation management system	60 staff members trained and accessed on the system	83 trained and accessed	Was able to invite and accommodate more staff for training.
		Processing and scanning of incoming mail onto electronic documentation system	4800 documents scanned and processed		The section mainly uses the system for recording incoming mail although other mail is recorded. The ideal situation is to record incoming mail and all other mail such as letters to public, internal memorandums, council reports and resolutions, periodicals et cetera. The Registry Section is however not able to record all mail at the present moment due to the on-going training sessions and lack of staff. On the new orgonogram provision was made for "electronic document management unit" but this has not been approved and additional staff have not yet Been appointed.
		Cleaning and upkeep of all archive stores	All 3 stores cleaned and kept in good order	All 3 stores are clean but files are not kept in good order.	Unavailability of steel filing cabinets

VOTE DESCRIPTION: Corporate Services

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Identification and recovery of missing contracts emanating from Council and Mayoral resolutions as from 2000 until Dec 2006 from appropriate departments	52	49	Identified user departments not responding despite several reminders.
	Auxiliary Services	Old and expired agreements identified from perusing Security Register from 2000 – determine if still active	9	4	Identified user departments not responding despite several reminders.
		Receipt, capture and filing of contracts emanating from Bid Adjudication Committee from April 2004 to December 2006	31	None	None response from user departments.
		Receipt of new contracts from appropriate departments, verification, electronic capturing, filing of hard copies	Incoming valid contracts to be filed within 24 hours of receipt, and appropriate department be informed in writing accordingly	10 contracts filed within 24 hours and departments informed	

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Advising relevant department regarding due contracts 3 months in advance	Relevant department advised of due contracts 3 months in advance	Relevant departments advised of due contracts 3 months in advanced.	
		Circulation of main records files to staff	1200 Files issued upon request to staff	Target not reached and actual performance cannot be scientifically proved.	Promotion of electronic document system reduced circulation of hard copies.
		Recovery of costs of private telephone calls from officials	R100 000 recovered for private calls	R95 118,26	Less private calls were made than anticipated.
		Reporting telephone faults to service provider	Reduce nr of tel. faults logged with service provider to	Faults reduced from 64 to 36 per quarter.	During 4rth quarter, 4 extra calls logged.
		Training of supervisor and new switchboard operators	Supervisor and new switchboard operators trained on telephone system	None	Only basic in – house training provided. Allocation of tender for new management system awaited.

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Receiving and transferring incoming telephone calls	360 000 incoming calls received and transferred	Performance could not be proved as Management System is outdated and could not record actual performance.	A total of 380 856 outgoing calls were recorded by the system.
		Printing and distributing internal telephone accounts for officials	4800 accounts printed and distributed	5 484 accounts printed and distributed.	
		Cleaning of offices in main building	To have cleaned all offices in the main building on a daily basis, that is 250 times	Most offices cleaned on a daily basis.	Increased sick leave and annual leave affected the planned relief system of staff
			To have vacuumed all carpets once a week, that is 52 times	Most carpets vacuumed once a week	Lack of human resource capacity and regular breakdown of vacuum cleaners.

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Cleaning of offices in main building	To have all crockery washed on a daily basis, times 250 working days	All crockery washed on a daily basis.	
			To have swept the perimeter of the main building on a daily basis, times 250 working days	Perimeter swept 230 times but area not clean as expected.	Lack of human resource capacity and machinery.
		Hire out of Roshnee and Rust-ter-Vaal Community Halls to internal and external stakeholders as well as payment and repayment of deposits	Daily booking of halls to customers according to need and availability	Roshnee Hall booked 68 times without any clashing and Rust-te-Vaal 47 times without any clashings.	

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
GOVERNANCE AND SERVICE DELIVERY	Auxiliary Services	Connection of all staff members supplied with computers to Orion Telecom SMS System	Have 500 staff members linked to Council's network connected to SMS system,	247 staff linked	Poor response from departments
MULTI-DIRECTIONAL CONTINUOUS COMMUNICATION	Communication Section	Compilation and distribution of internal newsletter	4 newsletters	4	
		Compilation and distribution of external newsletters	11 newsletters	11	
		Compilation and distribution of annual newspaper	1 newspaper	None	No budget allocation.
	Communication Section	Functional and updated website	52 updates	Daily updates since January 2007	
		Attendance of Sedibeng Communication Forum Meetings	10 meetings	12 meetings	
		Attendance of Gauteng Provincial Government Communication Forum Meetings	4 meetings	4 meetings	



## ***ANNUAL REPORT 2006/07***

### ***CORPORATE SERVICES HUMAN RESOURCES***

VOTE DESCRIPTION: Human Resources

CLUSTER: MANAGEMENT SUPPORT SERVICES



Course	Trainees						Days	Total Cost
	Nominated	Attended	Absent	Passed	Failed	Number of trainees		
Electricity Tariff Training	16	16		16		16	1	In house
Secretarial & Admin Symp	14	14		14		14	3	R76 057,38
Introduction Cond. Service	97	97		97		97	3x1	In house
Fire Engeneer Conference	1	1		1		1	1	R700,00
Fire Prevent. & Safety Strat.	20	20		20		20	4	R27 480,00
Public Priv. Procure Planning	3	3		3		3	2	R32 586,90
Contract Management	5	5		5		5	3	R45 590,88
Traffic: Truvelo speed measure	12	12		12		12	1	R1 500,00
First Aid	41	41		41		41	11x1	In house
ABET		158						R365 291,44
<b>Total</b>	<b>209</b>	<b>367</b>		<b>209</b>		<b>209</b>	<b>29</b>	<b>R549 206,60</b>

VOTE DESCRIPTION: Human Resources    CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PERSONNEL ADMINISTRATION	Filling of vacancies	To have existing vacancies filled.	415	365	Performance stalled by objections from SAMWU
	Monitoring of terminations	To have terminations (deaths, resignations, retirement, and dismissal) monitored.	On going. Terminations cannot be pre-empted. Annual report will be submitted	Achieved. Resignation/Absconded 59 Deceased 47 Retirement 44 Total 150	
	Report on new Pension applications	To have new applications monitored	In line with new appointments	365 of 415	Performance affected by objections to appointments by SAMWU
	Report on new Pension terminations	To have Pension terminations monitored.	Terminations cannot be pre-empted.	144 of 150 6 of 150 declined for late submissions or not found medically unfit.	Senior personnel handling these matters have since resigned
	Report on new Medical Aid applications	To have new Medical Aid applications monitored	On going. New applications cannot be pre-empted	Achieved.	

VOTE DESCRIPTION: Human Resources  
Employee Assistance Programme

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFOR- MANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
TO MAINTAIN EMPLOYEE ASSISTANCE PROGRAMME	Workshop on HIV/AIDS In the Workplace And EAP Function	Report on One Day Workshops	14 Executive Council, 30 management and Labour		
	Counselling of employees on personal issues that may impact on work place performance	59 Cases were handled including 6 of whom medical boarding was applied for and 2 were sent for Rehabilitation of alcohol abuse	According to need and referrals from supervisors Ongoing	6 Applications for medical boarding  2 Alcohol Abuse Rehabilitation  51 Counselling	
	Administration	Reports Referrals Consultation - internal and external	Personal Reports Referral Reports		
	HIV/AIDS programs(Committee Meetings)	Quarterly Reports on HIV/AIDS Policy and implementation of decisions	6 Meetings		
		World AIDS Day	Special Meetings in Preparation for One Day Event		

VOTE DESCRIPTION: Human Resources  
Employee Assistance Programme

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
TO MAINTAIN EMPLOYEE ASSISTANCE PROGRAMME	New Mental Health Act	Report on One Day Workshop	Once off		
	Wellness Day	Report on One Day Event	Annually	Achieved	
	Presentation of Medical Schemes accredited by SALGA to employees In October and November	Report on presentations made	30 presentations of one hour each		
	HIV/AIDS And Universal Precautions	Report on 2 Day Workshops Quarterly	8 workshops		
	HIV/AIDS And Universal Precautions	Report on 2 Day Workshops Quarterly	8 workshops		
	Team Building Workshops all departments	Report on the Workshops	Those who indicate need		

VOTE DESCRIPTION: Human Resources  
Employee Assistance Programme

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
TO MAINTAIN EMPLOYEE ASSISTANCE PROGRAMME	New Mental Health Act	Report on One Day Workshop	Once off		
	Wellness Day	Report on One Day Event	Annually	Achieved.	
	Presentation of Medical Schemes accredited by SALGA to employees In October and November	Report on presentations made	30 presentations of one hour each		
	HIVAIDS And Universal Precautions	Report on 2 Day Workshops Quarterly	8 workshops		
	HIVAIDS And Universal Precautions	Report on 2 Day Workshops Quarterly	8 workshops		
	Team Building Workshops all departments	Report on the Workshops	Those who indicate need		

VOTE DESCRIPTION: Human Resources  
Employee Assistance Programme

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
TO MAINTAIN EMPLOYEE ASSISTANCE PROGRAMME	Personal Finance Management	Report on the Workshops	6		
	Section 80 Health and Welfare Meetings	Report on the Meetings	3		
NATIONAL AND PROVINCIAL CALENDAR EVENTS ON GOVERNMENT PRIORITIES	An event according to the calendar on children youth, women, aged and disabilities. Finances, etc	Report on the events	12		
	Take a Girl-Child to Work	Report			
	Care of the Aged Workshop (Library Zone 13)	Report			
	16 Days of Activities Against Women and Child Abuse				

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROMOTION AND PROVISION OF PROFESSIONAL OCCUPATIONAL AND PRIMARY HEALTH CARE SERVICE FOR THE EMPLOYEES.	<b>Occupational Examinations</b> -Periodical examinations -Baseline medical on all employees -Employee list of medical progress -Monthly appointments lists -Action plan for outstanding medicals	Report	3xDepartments	Two Departments (Metsi and Roads)	Insufficient human resource capacity and lack of funds.
	<b>Medical Surveillance Programme</b> -Drawn up programme -Adherence to programme -Drawn up plan of backlog -Yearly appointment list	Report	3xDepartments	<b>Not Achieved</b>	Insufficient human resource capacity and lack of funds.
	<b>Audios, Lung Functions, Vision Screening</b> -Risk analysis for all departments -Correct use of forms -Check list for equipment calibration	Report	3xDepartments	5% Achieved	Insufficient human resource capacity and lack of funds.

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROMOTION AND PROVISION OF PROFESSIONAL OCCUPATIONAL AND PRIMARY HEALTH CARE SERVICE FOR THE EMPLOYEES.	COID Administration -Opening patient file -Completing WCL2 -Forwarding documents to CIOD, keeping copies of all paper work - Monthly follow up, first, periodical, final and resumption report	Report	All injured /Disease cases	<b>Stats available and report submitted</b>	
	Follow up of Occupational Diseases cases -List of identified cases relating to their occupation	Report	All injured /Disease cases	<b>Not Achieved</b>	Insufficient human resource capacity and lack of funds
	Biological Monitoring -Risk analysis of departments -Monthly appointment list -Employee list of medical progress	Report	Risk Identified cases	<b>Not Achieved</b>	Insufficient human resource capacity and lack of funds.
SNOWBALLING PROJECTS	Random vision screening -Hepatitis B vaccination -Flu Vaccination	Report	Risk Identified cases	<b>Not Achieved</b>	Insufficient human resource capacity and lack of funds



VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>PROMOTION AND PROVISION OF PRIMARY HEALTH CARE</b>	Administration	Reports Referrals Consultations- internal and external	As Cases are Identified	100%	
	Clinic Program	Reports	As per consultation	Stats available and report submitted	
	First Aid Program Training schedule for first aiders	Reports Monthly check list of boxes		5%	
	Health Education -National Health Calendar (days/weeks) -Monthly education schedule	Annual event Training record of education		130 employees trained	
	Treatment of minor ailments - Treatment of minor occupational injuries register	Reports	As per consultation	Stats available	

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
<b>PROMOTION AND PROVISION OF PRIMARY HEALTH CARE</b>		Chronic Illnesses -List of al chronic employees -Follow up program of all chronics	All identified cases	Achieved	
	Adhere to all legal statutory clinic and professional requirements	-OHS Act, -COID Act, -EE Act, -LR Act, -SANC Reg. n -Dispensing Lic. -Legal record keeping & Handling -File per patient -Admin. & clinic manuals	At all times	Achieved	
	Develop and maintain administration system	-Action pans to address findings -Perform self audit	At all times	Achieved	
	Logistic control and management of medication and acquisition	-Controlling of budget -Expired medication control -Maintain medical registers -Correct storage and issuing of medicines	Drug management monthly checkups	Achieved	
	Manage and control all medical equipment	-Yearly calibration - Mthly checking of all equipments	Annually	Achieved	

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROMOTION AND PROVISION OF PRIMARY HEALTH CARE	Manage primary health care in a cost effective manner -Controlling of budget -Obtain quotations and for approval purchases, repairs, calibration, pathology	Reports	Quarterly	Achieved	
	Keep updated with all legal medical requirements	-Subscription to OH Journals - SASOHN Membership	Annual Subscription	Achieved	
	Participate in community involvement programme	-Reports	According Calender Events	Not Achieved	Lack of Funds
MANAGEMENT OF HIV/AIDS IN THE WORKPLACE	Implementation of effective HIV/AIDS workplace programme Participate in HIV/AIDS, Programmes, Meetings, National calendar projects, Clinical management of opportunistic infections, Trainings.	Reports on National Events -World AIDS DAY -Condom Care Week -Candle Light - Memorial Service -HIV/TB Collaboration -HIV/AIDS/STI Week - VCT,PMTCT,PEP, ARV - Referral list for ARV	According to National Calender events	3% Achieved	Lack of Funds
	Wellness Day	Report on annual event	Annually	Achieved	

	16 Days of Activities Against Women and Child Abuse	Report on event	Annually	Not Achieved	Event cancelled
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VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Occupational Health and Safety awareness and creation of a health and safe working environment	Occupational Health and Safety	Training employees on OHS and Compensation of work related injuries	5% (Staff compliment)		
Occupational Health and Safety related videos	Occupational Health and Safety	Encourage a mind that recognizes Occupational Health and as a prime requirement for a health working environment	5% (Staff compliment)	8.9% Employees Trained 132.02 video shows	
Centralize Occupational Health and Safety	Acting Strategic Manager: MSS/ OHS	Designing and implementing a system that benefit both employer and employees Synchronizing the function of OHS in totality	100%	Not Achieved	GMR 2 Electrical not co- operative.
Training of all Safety Officers in SAMTRAC and ITIS	Occupational Health and Safety	Another safety officer currently attending a 3 weeks SAMTRAC training course	100%	100% Achievement	

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Ensure reduction on payment of compensation assessment annually and qualifying for rebates after three year circle.	Occupational Health and Safety	Reduction of reported injury on duty cases on month to month	Reduction of IOD by 10%		
	HIV/AIDS And Universal Precautions	Reports	8 Workshops		
Capacity Building	Training/Workshop for Managers/Supervisor s on Occupational Health Workshops/Meetings/ Seminars/Training	Reports			
	-Minimum Medical Standards - OH / Benefits to employer	Report on workshop	3x Workshops Annually		

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Conducting formal and informal inspections frequently	Occupational Health and Safety	Minimize possible risk that may pose danger to employees	100% Attend all work stations assisted by Safety Reps		
<b>Induction on newly appointed employees</b>	Occupational Health and Safety	Encourage a mind that recognizes Occupational Health and as a prime requirement for a health working environment	This is informed by the newly appointed employees		
Ensure an effective medical surveillance programme	Occupational Health and Safety	Monitoring and prevention of possible health risk	Number of visit to the medical station		
Vigorous posturing of summarised pieces of legislation relating to Labour Relations	Occupational Health and Safety	To comply with directive issued by the Minister of Labour to inform employees of relevant pieces of applicable legislation	All workstations		

VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Induction of newly appointed employees	Labour Relations	Induct newly appointed employees on Grievance and Disciplinary Procedure Collective Agreement to start on 17 October 2006	This is informed by the newly appointed employees	29.9% of employees inducted	Lack of human resource capacity
Complete local bargaining on interim working hours	Labour Relations / Human Resources	Clear disparities in working hours relating to Traffic and Waste Management personnel	Submission of Interim Agreement to Council		
Vigorous posturing of summarised pieces of legislation relating to Labour Relations to update employees on legislation	Labour Relations	To comply with directive issued by the Minister of Labour. To inform employees of relevant pieces of legislation governing employment relations	Posturing at 30 Municipal Work Places.	10% Achievement	Lack of human resource capacity
Reduce and monitor alcohol abuse at the workplace to combat risks.	Labour Relations/ OHS	Compliance with relevant legislation with effort to combating risks	6 reported cases of Alcohol Abuse%	50% thereof referred for rehabilitation	Lack of Funds

<b>Formulate intervention Strategies in expediting Disciplinary Hearings</b>	Labour Relations / Strategic Manager	Speedy Finalizations of DC,s	19 cases pending for hearing		
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VOTE DESCRIPTION: Human Resources  
Occupational Health Service

CLUSTER: MANAGEMENT SUPPORT SERVICES

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	Key performance indicator (Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Reduce number of grievances relating to outstanding salary disparities in category A, B, C, D and E of MOU.	Labour relations and LLF Task Team on salary disparities	Comply with the Bargaining Council Salary / Job grading system	Address all Salary Disparities together with Labour by new financial year 2007/08. 100%	90% of General Workers Addressed  70% of Clerks Addressed	Other disparities to be addressed in 2007/2008 Financial Year.
Labour Relations Employee' Disputes to avoid adverse outcome against Municipality	Labour Relations	Maximise settlement and number of positive outcome in favour of Municipality	Disputes get referred as when issues arise. During this period, 4 disputes have been heard by SALGBC and CCMA		
<b>Local Bargaining with Trade Unions to harmonise Labour Relations</b>	Labour Relations	Number of meeting and policies formulated by the LLF	12	Achieved.	





***ANNUAL REPORT 2006/07***

***OFFICE OF THE MUNICIPAL MANAGER***



***ANNUAL REPORT 2006/07***

## **OFFICE OF THE MUNICIPAL MANAGER PROJECT MANAGEMENT UNIT**

VOTE DESCRIPTION: Project Management Unit

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
FINANCIAL MANAGEMENT	The administration and financial management of MIG funds, within the municipal and national accounting systems for infrastructure projects of the municipality and any other municipality where the PMU has been delegated this authority.	<ul style="list-style-type: none"> <li>▪ Dora reports</li> <li>▪ Municipal financial Reports</li> <li>▪ Expenditure</li> </ul>	R 58,778 000  100%	<b>R27,776.371</b>	1) Feasibility studies done at a late stage. 2) Time frames on procurement - late appointment of Contractors. 3) Late starting dates (i.e. August 2006) due to extension on expenditure in 2005/06 until 30/06/2007.

	The PMU is responsible for compliance of all conditions contained in the Division of Revenue Act framework (DORA) relating to all funding mechanisms.	<ul style="list-style-type: none"> <li>Dora reports</li> </ul>	100%	100%	
	The PMU is directly responsible for the reconciliation and timely submission of all DORA reporting and ad hoc reporting as when required.	<ul style="list-style-type: none"> <li>Dora reports</li> </ul>	100%	100%	

VOTE DESCRIPTION: Project Management Unit

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
FINANCIAL MANAGEMENT	Final completion of monthly, quarterly, bi-annual and annual reports to the MIG Manager. (Provincial)	<ul style="list-style-type: none"> <li>Provincial Reporting</li> </ul>	Monthly before 10 <sup>th</sup>  100%	100%	Quarterly report was done by DLG – MIG Unit

	Monitor the consolidated cash flow performance reports on each projects and on the regional programme collectively	Cashflow Reports	Monthly before 10 <sup>th</sup> 100%	100%	
	Verify and reconcile monthly transfers from National to the Local Municipalities	Financial Reporting	Monthly before 10 <sup>th</sup> 100%	100%	
	<ul style="list-style-type: none"> <li>Audit and administer the monthly claims and expenditure</li> <li>Administer projects that are funded by all other grants</li> </ul>		Total Capital expenditure 100%	R10,945.974  100% only on Capital projects that was submitted for payments.	No follow up was done by PMU due to fact that this was the 1 <sup>st</sup> year handled by PMU.

VOTE DESCRIPTION: Project Management Unit

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)

SPECIAL MUNICIPAL INFRASTRUCTURE FUND	The co-ordination of SMIF project applications; in support of innovation in the provision of infrastructure	<ul style="list-style-type: none"> <li>▪ SMIF Business Plans</li> <li>▪ Regional Infrastructure Investment plan</li> </ul>	Updated Plan	100%	
PROJECT IDENTIFICATION AND PRIORITISATION	The co-ordination of the project identification and prioritization process for municipalities served by the PMU, whilst ensuring proper integration of the respective Ilf's IDP's with the appropriate input from various other line function department to ensure synchronized service delivery.	<ul style="list-style-type: none"> <li>• IDP</li> <li>• Sector Plans</li> <li>• Provincial/ Regional Infrastructure Investment plans</li> </ul>	Reviewed By March  100%	This function was implemented through the PMU from 1 <sup>st</sup> July 2007	

VOTE DESCRIPTION: Project Management Unit

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit	ANNUAL PERFORMANCE
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			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROJECT IDENTIFICA- TION AND PRIORITISA- TION	Ensure that ELM's budget for the capital replacement or rehabilitation costs thereafter.	Contribution on Labour Intensive Projects (EPWP)	100%	0%	EPWP projects will only be implemented from the 2007/08 financial year.
PROGRAMME / PROJECT MANAGEMENT	The PMU will be responsible for the management of the local infrastructure programme (municipal scale) as well as physical project implementation activities while ensuring that:	Minutes of meetings Site visit reports Labour Intensive reports Cash flow reports	Programme in line	100%	
	All projects meet overall planning objectives and specific key performance indicators as determined by the MIG Unit.		100%	100%	
	The co-ordination of regular progress meetings at local level and representation at the national progress meetings.		100%	100%	

VOTE DESCRIPTION: Project Management Unit

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
PROGRAMME / PROJECT MANAGEMENT	The associated project management administrative functions from project registration, evaluation through to final project completion reports.		100%	100%	
	Project manage the labour-intensive projects in line with the EPWP framework and related reporting requirements		100%	100%	
	Conduct site-visits / meetings projects to ensure compliance to the Project Registration form and the Letter of Acceptance.		100%	100%	
	Manage cash flows and committed project expenditure		100%	100%	





***ANNUAL REPORT 2006-07***

***OFFICE OF THE MUNICIPAL MANAGER  
INTEGRATED DEVELOPMENT PLANNING DEPARTMENT***

VOTE DESCRIPTION: Integrated Development Planning

CLUSTER: MUNICIPAL MANAGER

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
IDP Review	Review IDP Process Plan	Percentage completed	100%	100%	
	Review Analysis Phase	Percentage completed	100%	100%	
	Review Strategies Phase – vision; Objectives and Strategies	Percentage completed	100%	100%	
	Align Projects with Budget	Percentage completed	100%	100%	
	Integration Phase	Percentage completed	100%	100%	
	Approval of the final document	Percentage	100%	100%	



***CLUSTER: FINANCE***



***FINANCE: FINANCE ADMINISTRATION***

## VOTE DESCRIPTION: FINANCE ADMINISTRATION

## CLUSTER: FINANCE

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Achieve Sustainable Financial Viability	Review existing internal controls including documentation of the systems, processes and finalizing of job descriptions	Report on internal controls compiled, approved by Council and implemented	100%	Finance directorate documented a number of financial processes and a number of finance policies and procedures were submitted and approved by council. A number of policies are yet to be workshopped with respective section and implemented	Lack of capacity both at supervisory and lower levels Impacted negatively to effective implementation of internal controls
		All staff in the Finance Department will have a job description			
		Implement as per project plan			
	Review, compilation and implementation of major policies.	Various policies, in compliance with MFMA requirements to be adopted by Council	100%	The investment, asset management and supply chain management policies have been developed and approved by council. The policies are being implemented.	
	Align and implement policies and procedures in accordance with the MFMA	Implement as per project plan			



## **FINANCE: BUDGET**

VOTE DESCRIPTION: BUDGET

CLUSTER: FINANCE

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Achieve Sustainable Financial Viability	Medium Term Income and Expenditure Framework	Approved Operating and Capital Budgets for 2007/08	Adherence to budget time-table	Budget timetable and 2007/8 budget approved on time, inline with MFMA	
	Financial Planning: Review and Update financial plan as per restructuring grant conditions	Five year financial plan	Updated five year plan	Plan not fully updated, updated for only three year.	The financial model must be redefined to accommodate other variables which are were not incorporated into the original model.





## **FINANCE: INCOME**

VOTE DESCRIPTION: INCOME

CLUSTER: FINANCE

Aligned with KEY FOCUS AREA or IDP OBJECTIVE	KEY PERFORMANCE AREA OF VOTE	KEY PERFORMANCE INDICATOR ( Unit of measurement)	ANNUAL PERFORMANCE		
			ANNUAL TARGET	ACTUAL PERFORMANCE	Reasons for Deviation (if any)
Achieve Sustainable Financial Viability	Effective Revenue Management (Cleaning of database)	% of existing accounts screened and rectified	40% (of 160 000)	40% of all accounts on the variance report were screened and rectified prior to dispatch	
		% improvement in collection rate on current billing 68% to 78%	10% (68% to 78%)	Collection rate reached 70% during the financial year	Data cleaning project and indigent verification project will assist Emfuleni with better enforcement of Credit Controls
		% of monthly municipal service accounts rendered on time	100% (of 160 000)	A number of accounts were not rendered on time from April 2007.	Change of the meter reading service provider resulted in non-reading of meters and increased incorrect readings
		% reduction in consumer queries received	60%	Customer queries increased from May07.	Change of the meter reading service provider resulted in non-reading of meters and increased incorrect readings
	Implementation of Property Rates Act	Approved implementation plan and approved budget to implement	Approved implementation plan and budget to implement	The MPRA implementation plan was developed and approved by council.	

	MFMA compliance according to National Treasury timeframes	100% compliance as per project plan	100%	Valuer appointed and draft policy developed. Implementation is on target according to plan.	
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